
THE ENVIRONMENTAL GROUP LIMITED
ACN 000 013 427
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am (AEDT)
DATE: Tuesday, 21 November 2023
PLACE: Quest Hotel, 5 Acacia Place, Notting Hill, VIC, 3168

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

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 19 November 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2023, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding ordinary resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2023.”

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MICHAEL CONSTABLE

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

“That Michael Constable, a Director who was appointed during the year, retires in accordance with clause 14.4 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, is elected as a Director of the Company, effective immediately.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – VINCENT D'ROZARIO

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

“That Vincent D'Rozario, a Director who retires by rotation in accordance with clause 14.2 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, is re-elected as a Director of the Company, effective immediately.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – GRAEME NAYLER

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

“That Graeme Nayler, a Director who retires by rotation in accordance with clause 14.2 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, is re-elected as a Director of the Company, effective immediately.”

6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities of up to 10% of the total issued share capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 over a 12 month period and on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

7. RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES PURSUANT TO ASX LISTING RULE 7.4

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

“That in accordance with ASX Listing Rule 7.4 and for all other purposes, the Company ratifies and approves for the purposes of ASX Listing Rule 7.1, the issue of 40,000,000 Shares in the capital of the Company, details of which are set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

8. RESOLUTION 7 – APPROVAL OF THE EMPLOYEE INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)), and for all other purposes, the Shareholders approve:

- (a) the renewal of the Company’s Employee Incentive Plan; and*
- (b) the issue of securities under the Employee Incentive Plan—*

in accordance with the terms of the Employee Incentive Plan as laid before the meeting on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Dated: 19 October 2023

By order of the Board



**Kate Goland
Joint Company Secretary**

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on the Resolution; and (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.
<p>Resolution 7 - Approval of Employee Incentive Plan</p>	<p>In accordance with section 250BD of the <i>Corporations Act 2001</i> (Cth), a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:</p> <ul style="list-style-type: none"> (a) the person is either: <ul style="list-style-type: none"> (i) a member of the Company's Key Management Personnel; or (ii) a closely related party of a member of the Company's Key Management Personnel; and (b) the appointment does not specify the way the proxy is to vote on the resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair of the Meeting; and (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

Voting Exclusion Statements

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons or an associate of the following persons:

<p>Resolution 5 – Approval of Additional 10% Placement Capacity</p>	<p>Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).</p> <p>Note: as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.</p>
<p>Resolution 6 – Ratification of Issue of Shares Pursuant to ASX Listing Rule 7.4</p>	<p>A person who participated in the issue or is a counterparty to the agreement being approved.</p>
<p>Resolution 7 - Approval of Employee Incentive Plan</p>	<p>A person who is eligible to participate in the employee incentive plan.</p>

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the *Corporations Act 2001* (Cth), Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the *Corporations Act 2001* (Cth), each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If the Proxy Form is signed under a Power of Attorney on behalf of a Shareholder, then the Attorney must make sure that either the original Power of Attorney or a certified copy is sent with the Proxy Form, unless the Power of Attorney has already provided it to the Share Registry.

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

If you appoint the Chair of the Meeting as your proxy or the Chair of the Meeting is appointed as your proxy by default, and you do not provide any voting directions on your Proxy Form, you will be expressly authorising the Chair of the Meeting to cast your vote as she sees fit. If you intend to appoint a member of the Key Management Personnel (other than the Chair) or any of their closely related parties as your proxy on Resolutions 1 and 7, please ensure that you direct them how to vote on Resolutions 1 and 7.

Subject to any voting restrictions and exclusions, the Chair intends to vote in favour for all resolutions on the agenda.

Voting in person

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

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Boardroom Pty Limited will need to verify your identity. You can register from 9.00am (AEDT) on the day of the Meeting.

Questions

A reasonable opportunity will be given to Shareholders to ask questions or make comments on the management of the Company at the Annual General Meeting.

Similarly, a reasonable opportunity will be given to Shareholders to ask questions to the Company's external Auditor, RSM Australia Partners, relevant to the conduct of the external audit for the year ended 30 June 2023, or the content of the Audit Report.

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's external Auditor. Please send questions to admin@egl.com.au. Questions must be received by no later than 5.00pm (AEDT) on Wednesday, 15 November 2023.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Joint Company Secretary on +61 422 432 614.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act 2001 (Cth), the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2023, together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at www.environmental.com.au.

Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's Auditor will be present at the Meeting, and during the discussion of this item, will be available to discuss matters relevant to the audit.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act 2001 (Cth) 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 Company or the Directors of 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 a financial year.

The Chair of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial

year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 1.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MICHAEL CONSTABLE

3.1 General

The Constitution allows the Board to appoint a person as a Director at any time to fill a causal vacancy or as an addition to the existing number of Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office until the next Annual General Meeting and is then eligible for election by Shareholders, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Michael Constable, having been appointed as a Director by the Board effective as and from 24 August 2023, will retire in accordance with the Constitution and ASX Listing Rules, and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Michael Constable has significant financial management experience and Board exposure gained within large ASX listed companies over the last 20 years. Michael is a Chartered Accountant who has had senior Executive Finance roles within Nylex and Programmed Groups and was CFO of Tox Free Solutions Ltd for over 10 years before its sale to Cleanaway in 2018. Michael was also CFO of Millennium Services Group Ltd for 4 years which is a \$250M turnover, 5,000 staff contracting business.

Michael's industry experience spans labour and equipment hire, industrial services, waste management and contracting businesses, and he has had significant experience in high growth environments. Michael has developed and successfully executed business organic and inorganic growth strategies, governance, risk management, equity and debt funding initiatives, and driven significant shareholder value.

3.3 Independence

Mr Constable has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers Mr Constable will be an Independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Constable.

3.5 Board recommendation

The Board, with Michael Constable abstaining, supports the election of Michael Constable and recommends that Shareholders vote in **FAVOUR** of Resolution 2. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – VINCENT D'ROZARIO

4.1 General

The Constitution provides that no Director who is not a managing director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

Vincent D'Rozario, having been elected as a Director at the General Meeting held on 29 July 2021, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election from Shareholders.

4.2 Qualifications and other material directorships

Mr Vincent D'Rozario is an executive leader adept at business transformation and growth, Vincent has forged his career in the highly competitive business sectors of major project delivery, commercial aviation and heavy steel manufacturing.

He has a strong track record in purpose led transformation bringing businesses to their desired market position. Vincent is driven by challenge and thrives on leading organisational change and strategic organic and inorganic growth.

After a career spanning over 27 years in global roles with Aker Solutions, Global Process Systems and Jacobs, Vincent moved to the commercial aviation sector where he held the role of Regional Managing Director for CHC Helicopters APAC for 6 years, prior to joining Austin. Vincent provides a strong focus on improving and growing both the top and bottom lines, leading to increased shareholder/owner value. In addition to his Non-Executive Director role at EGL, Vincent is the Chief Operating Officer for Austin Engineering Limited (ASX: ANG).

A strong safety advocate, Vincent is an accomplished cognitive behavioural practitioner which he applies to both safety and to business leadership. Vincent has a degree in Electrical Engineering from Victoria University of Technology and is a graduate of the Australian Institute of Company Directors.

4.3 Independence

Mr D'Rozario has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole, rather than in the interests of an individual security holder or other party.

If re-elected, the Board considers Mr D'Rozario will be an Independent Director.

4.4 Board recommendation

The Board, with Vincent D'Rozario abstaining, supports the re-election of Vincent D'Rozario and recommends that Shareholders vote in **FAVOUR** of Resolution 3. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 3.

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – GRAEME NAYLER

5.1 General

The Constitution provides that no Director who is not a managing director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

Graeme Nayler, having been elected as a Director at the General Meeting held on 29 July 2021, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election from Shareholders.

5.2 Qualifications and other material directorships

Mr Graeme Nayler is an accomplished Executive Manager and Board Director with a track record of driving significant growth and value. Graeme was recently appointed to the position of Regional Director for BMT Asia Pacific to support significant investment and planned growth in the region. Prior to BMT, Graeme has recently completed his roles at Silentium Defence, a technology start-up, and Babcock, where he grew the business from \$30M to over \$500M annually over an 8-year period. Graeme held roles as both a Managing Director and Executive Director for Strategy and Future Business including a board member of the Australasian business.

Graeme has significant experience across many industries, including defence, government, mining and construction, emergency services, oil and gas, airports, automotive, ports, and engineering consultancy.

Prior to Babcock, Graeme was an Executive at Nova Systems and an Officer in the Australian Defence Force for over 15 years. Graeme brings 30 years of experience in a diverse range of industries and environments and has extensive strategy, business development, commercial, corporate affairs and program management experience. This is supported by his deep technical knowledge in engineering, operations, safety management and enterprise risk.

Graeme's experience provides EGL with a solid foundation to support ongoing governance critical for a rapidly growing business. Graeme has a Masters in Science from the University of Kingston in London and a Company Directors Diploma from the Australian Institute of Company Directors.

5.3 Independence

Mr Nayler has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected, the Board considers Mr Nayler will be an Independent Director.

5.4 Board recommendation

The Board, with Graeme Nayler abstaining, supports the re-election of Graeme Nayler and recommends that Shareholders vote in **FAVOUR** of Resolution 4. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

6.1 General

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

Currently the Company is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$95.24 million, therefore it is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue equity securities without Shareholder approval.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in ASX Listing Rule 7.1.

6.2 Information Required by ASX Listing Rule 7.3A

The following information is provided to Shareholder for the purposes of ASX Listing Rule 7.3A.

Period for which the approval will be valid

An approval under this ASX Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained and expires on the earlier of:

- (a) 21 November 2024, being 12 months from the date of this Annual General Meeting;
- (b) the time and date of the Company's next Annual General Meeting; and

- (c) the time and date on which Shareholders approve a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under ASX Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; or
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under ASX Listing Rule 7.1A may be used

As noted above, any equity securities issued under ASX Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under ASX Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under ASX Listing Rule 7.1A during the ASX Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used to capitalise on growth opportunities for the following purposes:

- (a) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (b) the development of the Company's current business; and
- (c) general working capital requirements.

Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under ASX Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be shown in the tables below.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.128 50% decrease in Issue Price	\$ 0.255 Issue Price	\$ 0.510 100% increase in Issue Price
Current Variable A 326,338,953	10% Voting dilution	32,633,895	32,633,895	32,633,895
	Funds raised	\$ 4,160,822	\$ 8,321,643	\$ 16,643,287
50% increase in current Variable A 489,508,430	10% Voting dilution	48,950,843	48,950,843	48,950,843
	Funds raised	\$ 6,241,232	\$ 12,482,465	\$ 24,964,930
100% increase in current Variable A 652,677,906	10% Voting dilution	65,267,791	65,267,791	65,267,791
	Funds raised	\$ 8,321,643	\$ 16,643,287	\$ 33,286,573

The table has been prepared on the following assumptions:

- (b) The current issue price is \$0.255, being the closing price of the Company's Shares on ASX as at 27 September 2023.
- (c) The table assumes that the Company issues the maximum number of Ordinary Shares available to be issued under ASX Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under ASX Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under ASX Listing Rule 7.1A only, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.

Allocation policy for issues under ASX Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under ASX Listing Rule 7.1A will depend on several factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the ASX Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of

issues, or the timeframe in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under ASX Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the ASX Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under ASX Listing Rules 3.10.3 and 7.1A.4.

Offers made under ASX Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, or any other person to whom the Company is able to make an offer of equity securities.

Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at the 2022 Annual General Meeting on 24 November 2022 (Previous Approval).

The Company did not issue any Shares pursuant to the Previous Approval

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

6.3 Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 5. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 5.

7. RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES PURSUANT TO ASX LISTING RULE 7.4

7.1 Background

In April 2023, the Company announced an acquisition of Airtight Pty Ltd funded by way of a Placement under which 40,000,000 Shares (**Placement Shares**) were issued at a price of \$0.20 per Share, raising \$8.0M (before costs). The Placement Shares were issued to existing institutional Shareholders and new institutional and sophisticated Shareholders on 27 April 2023 following a capital raise led by Taylor Collison Limited and Bell Potter Securities Limited, Joint Lead Managers and Bookrunners of the Placement. The Placement Shares rank equally with existing Shares on issue.

Information regarding the Placement was lodged with the ASX on 20 April 2023.

ASX Listing Rule 7.1 imposes a cap on the number of securities that a company may issue within the 12-month period. ASX Listing Rule 7.4 provides that an issue of equity securities made without Shareholder approval under Listing Rule 7.1 is treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1 if the holders of ordinary securities subsequently approve it, and the issue did not breach ASX Listing Rule 7.1. The issue of Shares described above did not breach any Listing Rules and Shareholder approval of this issue is now sought.

To restore the Company's capacity to issue shares, it is proposed that the Shareholders ratify the issue of Shares as detailed above. Ratification provides the Company with flexibility in capital management and allows the Company to make further issues for working capital or other purposes as required.

If Resolution 6 is passed, the issue will be excluded in calculating the Company 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 6 is not passed, the issue will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

As advised in the Company's ASX announcement on 18 April 2023, the acquisition of Airtight Pty Ltd includes 100% of the entity's shares and represents a major expansion of EGL's presence in the air pollution control market.

7.2 Information required by Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, Shareholders are provided the following information:

The number and class of securities the entity issued or agreed to issue	40,000,000 Shares
The date or dates on which the securities were or will be issued	The Placement Shares were issued on 27 April 2023
The price or other consideration the entity has received or will receive for the issue	\$0.20 per Share
The terms of the issue of securities	Shares in the capital of the Company which ranked, from the date of their issue, pari passu to existing securities and not subject to a trading lock.
The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected	Existing institutional Shareholders and new institutional and sophisticated Shareholders nominated by Taylor Collison Limited and Bell Potter Securities Limited, Joint Lead Managers and Bookrunners of the Placement
The use (or intended use) of the funds raised	As advised in the Company's ASX announcement on 18 April 2023, the acquisition of Airtight Pty Ltd includes 100% of the entity's shares and represents a major expansion of EGL's presence in the air pollution control market.

A voting exclusion statement	A voting exclusion statement is included under Resolution 6 in this Notice of Meeting.
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7.3 Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 6. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 6.

8. RESOLUTION 7 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

8.1 Background

The Company has previously adopted an Employee Incentive Plan (**Incentive Plan**) intended to operate as a long-term incentive aimed at increasing shareholder value in EGL and fostering stronger connections between EGL and its employees. Employees of the Company are eligible to participate in the Incentive Plan at the absolute discretion of the Board. The Board also remains committed to incentivising and retaining the Company's personnel in a manner which promotes alignment of their interests with Shareholder interests, whilst offering eligible participants market-competitive remuneration arrangements.

At the same time, the Company desires to maintain a maximum ability to raise capital in accordance with ASX Listing Rule 7.1 without seeking prior Shareholder approval. Accordingly, the Board seeks renewed Shareholder approval of the Company's Employee Incentive Plan for the purpose of ASX Listing Rule 7.2 Exception 13.

ASX Listing Rule 7.1 requires shareholder approval for an issue of equity securities if, over a rolling 12-month period, the amount of equity securities issued (without prior shareholder approval) is more than 15% of the number of ordinary shares on issue at the start of that 12-month period.

Listing Rule 7.2 Exception 13 (b) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

The Incentive Plan is regarded as an employee incentive scheme for the purposes of ASX Listing Rule 7.2 and Resolution 7 seeks Shareholder approval for the re-adoption of the Incentive Plan to meet the three-year approval requirement.

If Resolution 7 is passed, the Company will be able to issue securities under the Incentive Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Incentive Plan (up to the maximum number of securities stated below) will be excluded from the

calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Accordingly, the Company is seeking Shareholder approval of the Incentive Plan for the Company to be able to issue securities pursuant to the Incentive Plan and have those securities qualify under ASX Listing Rule 7.2 Exception 13.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Incentive Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of securities under the Incentive Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of those securities.

Information required by ASX Listing Rule 7.2 Exception 13

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.2 Exception 13.

A summary of the terms of the Incentive Plan	A summary of the terms of the Employee Incentive Plan is included under Annexure A in this Notice of Meeting
The number of securities issues under the Incentive Plan since the Company was listed	<ul style="list-style-type: none"> • 14,226,949 Unlisted Performance Rights, under the Employee Incentive Plan, which was approved by Shareholders on 29 July 2021 • 250,000 Unlisted Performance Rights, under the Employee Incentive Plan, which was approved by Shareholders on 29 July 2021
The maximum number of equity securities proposed to be issued under the Incentive Plan following the approval	18,000,000 equity securities

8.2 Board recommendation

The Board recommends that Shareholders vote in **FAVOUR** of Resolution 7. The Chair of the meeting intends to vote all available undirected proxies in **FAVOUR** of Resolution 7.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time as observed in Melbourne, Victoria.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means The Environmental Group Limited (ACN 000 013 427).

Constitution means the Company's Constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report for the year ended 30 June 2023.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.



The Environmental Group Limited

Annexure A - EGL Employee Incentive Plan - Summary

1. Introduction

- 1.1 Shareholders approved EGL's Employee Incentive Plan (the "Plan") at the 2021 AGM. The Board intends to submit the Plan for renewed shareholder approval at EGL's next Annual General Meeting.
- 1.2 This document is a summary of the intended operation of the Plan and the relevant Plan Rules. Further details on any of the matters set out in this summary can be found in the Plan Rules.
- 1.3 The Plan is intended to operate as a long-term incentive aimed at:
 - (a) increasing shareholder value in EGL; and
 - (b) fostering stronger connections between EGL and its employees.

2. Structure of Plan

- 2.1 The Plan allows for EGL to issue equity securities to eligible employees.
- 2.2 The Board has a general discretion to select which employees it intends to issue equity securities to and the terms or conditions of those issues.
- 2.3 It is the Board's intention that no payment will be required for the issue of securities under the Plan.
- 2.4 It is also the intention of the Board that any securities issued under the Plan would be subject to certain performance hurdles which will be based on the company achieving the goals set out in EGL's strategic plan.
- 2.5 Once the performance hurdles have been achieved, any restrictions attaching to the securities will be lifted.

3. Implications for employees

- 3.1 The Plan has been prepared to comply with Division 1A of Part 7.12 of the *Corporations Act 2001*. Offers of securities to be issued under the Plan will not exceed 5% of the issued share capital in EGL.
- 3.2 At the time of invitation, eligible employees will be able to nominate whether they wish to acquire securities in their own name, or in the name of a compliant self-managed superannuation fund.

4. Advice for employees

- 4.1 EGL does not hold an Australian Financial Services Licence and is unable to provide financial advice on any financial product, including its own shares. Employees should consider obtaining their own financial advice on the implications of any securities issued under the Plan.
- 4.2 The Plan Rules allow the Company to administer, vary, suspend or terminate the Plan.
- 4.3 EGL is unable to provide any advice as to the potential taxation implications of equity securities issued under this Plan. Employees should obtain their own taxation advice on such matters.



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Sunday 19 November 2023.**

🖥 TO VOTE ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/eglagm2023>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Sunday 19 November 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** <https://www.votingonline.com.au/eglagm2023>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **The Environmental Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Quest Hotel, 5 Acacia Place, Notting Hill, VIC, 3168 on Tuesday, 21 November, 2023 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1 & 7, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 & 7 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1 & 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Michael Constable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Vincent D'Rozario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Graeme Nayler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Additional 10% Placement Capacity <i>(Special Resolution)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Issue of Shares Pursuant to ASX Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of The Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary