

Notice of Annual General Meeting and Explanatory Memorandum

DGL Group Limited ACN 002 802 646

Date: Tuesday 15 November 2022

Time: 10.30am (Melbourne time)

Place: *Address*

RACV Club
501 Bourke Street
Level 2, Bayside Room 4a
Melbourne Victoria

Virtual

<https://meetings.linkgroup.com/DGL22>

THIS IS AN IMPORTANT DOCUMENT

If you are in doubt as to what to do with this document, please immediately see your legal adviser, financial adviser or stockbroker.

The Annual General Meeting will be held at the address above and webcast live online through <https://meetings.linkgroup.com/DGL22>. Shareholders are encouraged to attend, vote and ask questions online using their computer or mobile device by following the instructions outlined in this Notice of Annual General Meeting

Notice of Annual General Meeting

The annual general meeting of shareholders (**AGM**) of DGL Group Limited ACN 002 802 646 (**DGL** or **Company**) will be held virtually at 10.30am (Melbourne time) on Tuesday, 15 November 2022 for the purpose of considering and, if thought fit, passing the resolutions set out below (**Notice**). Registration will open from 10.00am (Melbourne time).

This year DGL will hold its AGM physically at RACV Club 501 Bourke Street, Level 2, Bayside Room 4a, Melbourne, Victoria, and through an online platform at <https://meetings.linkgroup.com/DGL22>. The online platform will enable shareholders to view the AGM, ask questions in relation to the business of the AGM and vote in real time. Further details on how to access the AGM online and how to ask questions and vote on matters of business are set out on page 6 of this Notice. Please also refer to the Virtual Meeting Online Guide at www.dglinvestors.com/investor-centre/?page=asx-announcements for more information about online participation in the AGM.

The Explanatory Memorandum that accompanies and forms part of this Notice describes in more detail the matters to be considered at the AGM. Please ensure that you read the Explanatory Memorandum in full.

Business

Please note that additional information concerning the proposed resolutions is contained in the Explanatory Memorandum that accompanies and forms part of this Notice.

1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
- (b) the Directors' Report; and
- (c) the Auditor's Report,

of DGL for the year ended 30 June 2022.

Note: There is no requirement for the shareholders to approve these reports.

2. Adoption of the Remuneration Report

To consider and, if thought fit, pass the following resolution:

'That the Remuneration Report of DGL (which forms part of DGL's 2022 Annual Report) for the financial year ended 30 June 2022 be adopted.'

Note: This resolution is advisory only and does not bind DGL or the directors of DGL (Directors).

Voting exclusions apply to this item – please see the voting exclusions on page 10.

3. Re-election of Directors

To consider and, if thought fit, pass the following resolutions:

(a) Re-election of Peter Lowe

'That Peter Lowe, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for office, be and is hereby re-elected a Director of the Company.'

(b) Re-election of Robert McKinnon

'That Robert McKinnon, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for office, be and is hereby re-elected a Director of the Company.'

4. Ratification of prior issue of securities to Austech Chemicals Pty Ltd **(Austech Chemicals)** vendor

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 5,817,312 fully paid ordinary shares in DGL to the former Austech Chemicals shareholder as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Austech Chemicals on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.'

Voting exclusions apply to this item – please see the voting exclusions on page 10.

5. Ratification of prior issue of securities to Australian Logistics Management Pty Ltd as trustee for the ALM Unit Trust **(ALM)**

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 153,186 fully paid ordinary shares in DGL to ALM as part of the purchase price paid by DGL for the acquisition of the Australian Logistics Management business on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.'

Voting exclusions apply to this item – please see the voting exclusions on page 10.

6. Ratification of prior issue of securities to shareholders of RLA Polymers NZ Limited **(RLA Polymers)**

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 363,924 fully paid ordinary shares in DGL to shareholders of RLA Polymers as part of the purchase price paid by DGL for the acquisition of the RLA Polymers business on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.'

Voting exclusions apply to this item – please see the voting exclusions on page 10.

7. Ratification of prior issue of securities to Total Bio Group Pty Ltd **(Total Coolants)** vendors

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 74,189 fully paid ordinary shares in DGL to former Total Coolants shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Total Coolants on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.'

Voting exclusions apply to this item – please see the voting exclusions on page 10.

8. Ratification of prior issue of securities to Flexichem Australia Pty Ltd **(Flexichem)** vendors

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

'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 725,689 fully paid ordinary shares in DGL to former Flexichem shareholders as part of the purchase price paid by DGL for the acquisition of

100% of the shares in Flexichem on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.

Voting exclusions apply to this item – please see the voting exclusions on page 10.

9. Ratification of prior issue of securities to Clarkson Freightlines Pty Ltd as trustee for the Clarkson and Connolly Transport Trust (**Clarkson Freightlines**)

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

‘That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 278,149 fully paid ordinary shares in DGL to Clarkson Freightlines as part of the purchase price paid by DGL for the acquisition of the Clarkson Transport business on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.’

Voting exclusions apply to this item – please see the voting exclusions on page 10.

10. Ratification of prior issue of securities to BTX Group Pty Ltd (**BTX**) vendors

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

‘That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 677,570 fully paid ordinary shares in DGL to former BTX shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in BTX on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.’

Voting exclusions apply to this item – please see the voting exclusions on page 10.

11. Ratification of prior issue of securities to Aquadex Pty Ltd (**Aquadex**) vendors

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

‘That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders approve and ratify the prior issue of 2,943,925 fully paid ordinary shares in DGL to former Aquadex shareholders as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Aquadex on the terms and conditions as more fully described in the Explanatory Memorandum accompanying the Notice of this Meeting.’

Voting exclusions apply to this item – please see the voting exclusions on page 10.

12. Approval of provision of financial assistance

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

‘That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth) (Act), and for all other purposes, approval is given for the proposed financial assistance to be provided by each of the entities named below (which are or may become subsidiaries of the Company), as described in the Explanatory Statement provided to shareholders, and any other elements of the transactions there described that may constitute financial assistance for the purposes of section 260A of the Act, in connection with the acquisition of those entities:

- (a) Austech Chemicals Pty Ltd ACN 124 370 761;
- (b) Total Bio Group Pty Ltd ACN 165 166 512;

- (c) *Total Coolant Management Solutions Pty Ltd ACN 165 018 619;*
- (d) *Flexichem Australia Pty Ltd ACN 617 653 764;*
- (e) *Acacia Ridge Container Park Pty Ltd ACN 108 103 395;*
- (f) *BTX Group Pty Ltd ACN 131 302 942; and*
- (g) *Aquadex Pty Ltd ACN 102 261 727.'*

13. Further information

For detailed information on the above Agenda items, please refer to the Explanatory Memorandum on pages 12 to 25.

By order of the Board

Andrew Draffin
Company Secretary
11 October 2022

Information on attending in person or virtually, voting, proxies, corporate representatives and attorneys

How to attend the AGM in person

Shareholders who wish to attend the AGM should follow any Government requirements and recommendations regarding COVID -19. At the AGM, DGL will be following COVID -19 safety guidance from the relevant government and health authorities to safeguard the health and wellbeing of our shareholders, employees and the broader community. This may include wearing a mask during the AGM. If you, or someone you have been in contact with, becomes unwell or experiences any cold or flu like symptoms, please view the AGM online via the live webcast and do not attend in person. For this reason, we encourage you to vote directly or appoint a proxy in advance of the AGM.

If you wish to attend the AGM in person, you will need to register to gain access to the AGM. Registration will also enable you to ask questions and to vote in person.

To help with the registration process, you are encouraged to bring your shareholder details (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)). You can find your SRN/HIN on the Welcome Letter or other documentation you received when you first became a DGL shareholder. If you are unable to locate your SRN/HIN, the registration team will be able to look up your shareholder details when you arrive at the AGM. Alternatively, you may also contact Link Market Services (DGL's Share Registry) on +61 1300 554 474 or at registrars@linkmarketservices.com.au. For security reasons, your SRN/HIN can only be sent by post to your registered postal address and cannot be provided on the day of the AGM. Your SRN/HIN cannot be provided by email or phone. Shareholders who need a copy of their SRN/HIN are strongly encouraged to contact Link Market Services as soon as possible, to avoid any delivery delays.

If you are appointed as a proxy, please identify yourself to the registration team.

If you will not be attending the AGM in person on Tuesday 15 November 2022, we invite and encourage you to vote directly or lodge a directed proxy and ask questions in advance, and attend virtually as described below.

If it is necessary for DGL to give further updates on the arrangements for the AGM, we will inform you through our investor website (www.dglgroup.com) and the ASX Market Announcements Platform.

How to attend the AGM virtually

Shareholders will be able to participate via an online platform using their computer or mobile device. Shareholders and proxyholders will be able to ask questions and vote in real time, subject to the connectivity of their device.

Further information on how to participate virtually is set out in this Notice and the Virtual Meeting Online Guide available at www.dglgroup.com.

Accessing the AGM online

If you wish to attend the AGM online, you will be able to participate in the AGM through <https://meetings.linkgroup.com/DGL22>.

We recommend logging onto our online platform at least 15 minutes prior to the scheduled start time for the AGM by entering <https://meetings.linkgroup.com/DGL22> into a web browser on your computer or mobile device.

Please ensure you have your Shareholder Reference Number or Holder Identification Number.

Proxyholders will need their proxy code, which Link Market Services will provide via email within 24 hours prior to the AGM.

Further information on how to participate virtually is set out in this Notice and the Virtual Meeting Online Guide available at www.dglgroup.com.

Asking questions

A discussion will be held on all items of business to be considered at the AGM.

Shareholders will have a reasonable opportunity to ask questions during the AGM at the physical location, via the virtual AGM platform or orally by using the phone dial-in facility, including an opportunity to ask question of DGL's external auditor. Please refer to the attached Virtual Meeting Online Guide for further details on ask questions virtually.

To ensure that as many shareholders as possible have the opportunity to speak, we ask that all shareholders observe the following when asking questions:

- all shareholder questions should be stated clearly and should be relevant to the business of the AGM, including matters arising from the Annual Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of DGL;
- if a shareholder has more than one question on an item, all questions should be asked at the one time; and
- shareholders should not ask questions at the AGM regarding personal matters or those that are commercial in confidence.

If you wish to register questions in advance of the AGM, you are invited to do so. A Shareholder Question Form has been sent to shareholders and is available on DGL's website at www.dglgroup.com.

Written questions must be received by DGL or Link Market Services Limited by 10.30am (Melbourne time) on Tuesday, 8 November 2022, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

We will attempt to address the more frequently asked questions in the Chair and CEO's presentations at the AGM.

Voting

Eligibility to vote

DGL has determined that, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), DGL's shares quoted on ASX Limited at 10.30am on Sunday, 13 November 2022 will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote at the AGM.

Shareholders may vote by either using the online platform, or by appointing a proxy.

All resolutions by poll

In accordance with clause 44.2(c) of DGL's constitution, the Chair intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll, rather than a show of hands. The Chair considers voting by poll to be in the best interests of the shareholders as a whole, and to ensure the proportionate representation of shareholders voting at the AGM.

Voting online

Shareholders may vote using the online platform.

Online voting will be open between the commencement of the AGM at 10:30am (Melbourne time) on Tuesday, 15 November 2022 and the time at which the Chair announces the closure of the voting.

In order to vote online, shareholders will need their Securityholder Reference Number or Holder Identification Number, and proxyholders will need their proxy code (as noted above).

Technical difficulties

Technical difficulties may arise during the course of the AGM. The chairperson has discretion as to whether and how the AGM should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of shareholders impacted and the extent to which participation in the business of the AGM is affected.

Where the chairperson considers it appropriate, the chairperson may continue to hold the AGM and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For

this reason, shareholders are encouraged to lodge a proxy in accordance with valid proxy instructions below if they plan to attend online.

Proxies

A shareholder who is entitled to attend and vote at the AGM may appoint up to two proxies to attend and vote on behalf of that shareholder. If you require an additional proxy form, please contact the Company's share registry Link Market Services on +61 1300 554 474.

If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

Where a shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.

A proxy need not be a shareholder of DGL.

To be effective, DGL must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10.30am (Melbourne time) on Sunday, 13 November 2022.

Proxies may be lodged with DGL, along with the power of attorney or other authority (if any) under which the proxy form is signed:

by mail, to Link Market Services Limited, using the enclosed reply envelope to:

C/- Link Market Services Limited, Locked Bag A14, Sydney, South NSW 1235, Australia.

by facsimile:

+61 2 9287 0309

online, by logging into the following website address:

<https://investorcentre.linkgroup.com/voting/dgl>, using the holding details as shown on your proxy form and select 'voting' and follow the prompts to lodge your vote.

by hand delivery, to Link Market Services Limited at Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 Australia.

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a shareholder appoints the chairperson of the AGM as the shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that shareholder, in favour of that item on a poll.

Voting by Corporate Representatives

A shareholder or proxy that is a corporation is entitled to attend and vote at the AGM, may appoint an individual to act as its corporate representative. DGL must receive evidence of the appointment of a corporate representative prior to the AGM and the appointment must be in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**).

Voting by Attorney

A shareholder entitled to attend and vote at the AGM is entitled to appoint an attorney to attend and vote at the AGM on the shareholder's behalf. An attorney need not be a shareholder of DGL.

The power of attorney appointing the attorney must be duly executed and specify the name of each of the shareholder, DGL and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy appointment forms.

Evidence of execution

If any instrument (including a proxy appointment form or appointment of corporate representative) returned to DGL is completed by an individual or a corporation under power of attorney, the power of attorney under which the instrument is signed, or a certified copy of that power of attorney, must accompany the instrument unless the power of attorney has previously been noted by DGL or DGL's share registry.

Voting Exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and that DGL must disregard any votes cast by or on behalf of certain persons, on the resolutions to be considered at the AGM. These voting exclusions are described below.

Voting Exclusions for Item 2 – Adoption of the Remuneration Report

DGL will disregard any votes cast on the resolution proposed in item 2:

- (a) by or on behalf of any Key Management Personnel (**KMP**) member whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- (b) by any person who is a KMP member at the date of the AGM, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on item 2:

- (c) in accordance with their directions on how to vote as set out in the proxy appointment; or
- (d) by the Chair of the AGM in accordance with an express authorisation in the proxy appointment to cast the votes even if item 2 is connected directly or indirectly with the remuneration of a KMP member.

If you are a member of the KMP or a closely related party of a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote on item 2 that vote will be disregarded by DGL (as indicated above). You may also be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that DGL will disregard.

Voting Exclusions for Items 4 to 11 – Ratification of issue of securities to Austech Chemicals vendor, ALM, RLA Polymers shareholders, Total Coolants vendors, Flexichem vendors, Clarkson Freightlines, BTX vendors and Aquadex vendors

DGL will disregard any votes cast in favour of the resolutions proposed in items 4 to 11 respectively by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved which is the subject of the relevant resolution; or
- (b) an associate of that person (or those persons).

However, DGL need not disregard a vote if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the item, in accordance with the directions given to the proxy or attorney to vote on the item in that way;
- (b) the Chair of the AGM as proxy or attorney for a person who is entitled to vote on the item, in accordance with a direction given to the Chair to vote on the item 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 item; and
 - (ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

Defined terms used in these Voting Exclusions

For the purposes of these voting exclusions:

The **KMP** are those persons having authority and responsibility for planning, directing and controlling the activities of the DGL consolidated group, either directly or indirectly. This includes all Directors (Executive and Non-Executive). The KMP for the DGL consolidated group during the year ended 30 June 2022 are

listed in a section titled 'Key Management Personnel' in DGL's Annual Report for the year ended 30 June 2022.

A **closely related party** of a KMP member means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (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 dealings with the DGL consolidated group; or
- (e) a company the member controls.

DGL will also apply these voting exclusions to persons appointed as an attorney by a shareholder to attend and vote at the AGM under a power of attorney, as if they were appointed as a proxy.

Explanatory Memorandum

1. Item 1 – Financial statements and reports

The *Corporations Act 2001* (Cth) (**Corporations Act**) requires the financial report (which includes the financial statements and Directors declaration), the Directors' Report and Auditor's Report to be laid before the AGM. There is no requirement either in the Corporations Act or DGL's constitution for shareholders to approve the financial report, the Directors' Report or the Auditor's Report.

This agenda item is intended to provide shareholders with the opportunity to raise questions on the financial statements and reports contained in DGL's 2022 Annual Report, and on the performance of DGL generally.

Shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on these reports. It is not the purpose of the AGM for the financial statements and reports to be accepted, rejected or modified in any way.

2. Item 2 – Adoption of Remuneration Report

The Corporations Act requires DGL to include in the Directors' Report a detailed remuneration report setting out certain prescribed information relating to Directors' and executives' remuneration (**Remuneration Report**) and submit this for adoption by resolution of the shareholders at the AGM.

Please refer to page 13 of DGL's 2022 Annual Report, which sets out the Remuneration Report. A copy of the 2022 Annual Report can be found on DGL's website at www.dglinvestors.com/investor-centre/?page=Results-centre or by contacting DGL's share registry, Link Market Services.

The Remuneration Report includes:

- (a) an explanation of DGL's remuneration strategy and guiding principles;
- (b) an explanation of DGL's policies in relation to the nature and amount of the remuneration of the KMP;
- (c) a description of the relationship between such policies and DGL's performance;
- (d) if an element of remuneration is performance based, an explanation why the performance conditions were chosen and how performance is measured against those conditions; and
- (e) remuneration details for the KMP.

During this item, there will be an opportunity for shareholders at the AGM to comment on and ask questions about the Remuneration Report and shareholders are asked to adopt the Remuneration Report.

The vote on the resolution in item 2 is advisory only and will not bind the Directors or DGL. However, the Board recognises the vote is an indication of shareholder sentiment and will take the outcome of the vote into consideration when reviewing DGL's remuneration practices and policies.

Under the Corporations Act, if at least 25% of the votes cast on the resolution in item 2 at the AGM are against adoption of the Remuneration Report, then:

- (a) if comments are made on the Remuneration Report at the AGM, DGL's remuneration report for the financial year ending 30 June 2022 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for taking no action; and
- (b) if subsequently, at DGL's 2023 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for that financial year are cast against its adoption, DGL will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of all Directors (other than any managing director) of DGL (**Spill Meeting Resolution**). The Spill Meeting

must be held within 90 days of the date of the 2022 Annual General Meeting. For any Spill Meeting Resolution to be approved, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Meeting Resolution is passed, all of the Directors (other than any managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Recommendation

Noting that each Director has a personal interest in their own remuneration from DGL (as described in the Remuneration Report), and that each Director (or any closely related party of a Director) is excluded from voting their shares on item 2 (as described in the *Voting Exclusions* section above), the Directors unanimously recommend that shareholders vote in favour of item 2 to adopt the Remuneration Report.

The resolution in item 2 is put to the shareholders at the AGM in fulfilment of the obligations of DGL under section 250R(2) of the Corporations Act.

3. Item 3 – Re-election of directors

(a) Re-election of Peter Lowe

At DGL's 2021 Annual General Meeting, Mr Peter Lowe was re-elected as a Director.

Rule 64 of DGL's Constitution requires at least one third of the Directors to retire each year by rotation. Mr Lowe retires this year in accordance with this rule and is permitted to seek re-election.

Mr Lowe's corporate career spanned 30 years over which time he worked for Price Waterhouse Coopers, Fosters Brewing Group where he held a number of finance roles and CFO roles at publicly listed companies United Energy Limited and Utilicorp United Inc. He also held CEO roles at Utilicorp Australasia and CPA Australia.

Over the last 15 years he has held a number of directorships on listed, private and government boards.

At present he is Chair of United Energy Distribution Holdings Pty Ltd, Multinet Group Holdings Pty Ltd, Lochard Energy Pty Ltd and DBNGP Holdings Pty Ltd. He is also a director of Australian Gas Networks Limited.

The Board has determined that Mr Lowe is an independent Director.

(b) Re-election of Robert McKinnon

At DGL's 2021 Annual General Meeting, Mr Robert McKinnon was re-elected as a Director.

Rule 64 of DGL's Constitution requires at least one third of the Directors to retire each year by rotation. Mr McKinnon retires this year in accordance with this rule and is permitted to seek re-election.

Mr McKinnon has over 40 years' finance and management experience in light manufacturing and industrial sectors in Australia, New Zealand, and Canada. Mr McKinnon has extensive executive and board experience across a diverse range of ASX-listed companies. This includes executive roles in Capral, Austal and Fleetwood. He is currently a non-executive director of Peet Limited. Mr McKinnon is a former non-executive director of Bankwest, Brierty, Programmed Maintenance Services, Tox Free Solutions and M8 Sustainable.

The Board has determined that Mr McKinnon is an independent Director.

Recommendation

The Directors (in each case with the relevant candidate abstaining) unanimously recommend that shareholders vote in favour of the respective re-election of each of the above candidates.

Background to Items 4 to 11

ASX Listing Rules 7.1 and 7.4

Items 4 to 11 seek approval for the purposes of ASX Listing Rule 7.4. Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number 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.

The issues of Shares as set out in items 4 to 11 do not fit within any of these exceptions and, as each of those issues have not yet been approved by DGL's shareholders, each issue of these Shares were within the 15% limitation imposed by ASX Listing Rule 7.1.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. Such subsequent approval means the prior issue of shares is treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1, and thereby refreshes DGL's ability in the future to issue up to 15% of its share capital without obtaining prior shareholder approval to the extent of the number of shares being approved under the relevant item.

ASX Listing Rule 14.1A

DGL wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1. To this end, items 4 to 11 seek shareholder approval for the issue of each of the relevant Shares under and for the purposes of ASX Listing Rule 7.4.

If a resolution proposed in any of items 4 to 11 is not passed, the relevant Share issue will be included in calculating DGL's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities DGL can issue without shareholder approval over the 12-month period following the relevant date of issue of the Shares.

4. Item 4 – Ratification of prior issue of securities to Austech Chemicals Pty Ltd vendor

On 1 December 2021 and 9 February 2022 (**Austech Chemicals Issue Date**), DGL issued fully paid ordinary shares in DGL to the former shareholder of Austech Chemicals Pty Ltd ACN 124 370 761 (**Austech Chemicals**) as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Austech Chemicals, as announced to the ASX on 9 November 2021 (**Austech Chemicals Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of Austech Chemicals is set out in the ASX announcement dated 9 November 2021.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	Aveley Investments Pty Ltd ACN 088 194 147.
The number and class of securities DGL issued.	5,817,312 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	5,306,122 shares issued on 1 December 2021. 511,190 shares issued on 9 February 2022.
The price or other consideration DGL has received for the issue.	DGL acquired Austech Chemicals for \$28.8 million. The acquisition was funded by both \$14.4 million cash and shares, with the share component valued at \$14.4 million.

The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by the Company for the acquisition of Austech Chemicals.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	<p>The acquisition was funded by both \$13 million cash, 5,306,122 shares and 506,912 shares (in relation to the working capital adjustment).</p> <p>2,653,061 shares were subject to a 6-month escrow period that ended on 31 May 2022.</p> <p>2,653,061 shares are subject to a 12-month escrow period ending on 30 November 2022.</p> <p>511,190 shares were subject to a 6-month escrow period that ended on 14 August 2022.</p>
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 4.

5. Item 5 – Ratification of prior issue of securities to Australian Logistics Management Pty Ltd as trustee for the ALM Unit Trust

On 1 March 2022 (**ALM Issue Date**), DGL issued fully paid ordinary shares in DGL to Australian Logistics Management Pty Ltd ACN 085 045 094 as trustee for the ALM Unit Trust (**ALM Unit Trust**) as part of the purchase price paid by DGL for the acquisition of the Australian Logistics Management business, as announced to the ASX on 17 February 2022 (**ALM Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of the Australian Logistics Management business is set out in the ASX announcement dated 17 February 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	Australian Logistics Management Pty Ltd ACN 085 045 094 as trustee for the ALM Unit Trust.
The number and class of securities DGL issued.	153,186 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	1 March 2022.

The price or other consideration DGL has received for the issue.	DGL acquired the Australian Logistics Management business for \$1.25 million and property for \$2.4 million that was leased by the ALM Unit Trust. The acquisition was funded by both \$3.2 million cash and shares, with the share component valued at \$416,667.
The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by DGL for the acquisition of the Australian Logistics Management business.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$0.83 million cash and 153,186 shares. The acquisition price includes property valued at approximately \$2.4 million that was acquired for cash. The securities are subject to a 12-month escrow period ending on 27 February 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 5.

6. Item 6 – Ratification of prior issue of securities to RLA Polymers NZ Limited shareholders

On 1 April 2022 (**RLA Issue Date**), DGL issued fully paid ordinary shares in DGL to John Harvie and Aquasoleil Limited (NZCN 1594861) (**RLA Recipients**) as part of the purchase price paid by DGL for the acquisition of the RLA Polymers NZ Limited (**RLA Polymers NZ**) business, as announced to the ASX on 10 March 2022 (**RLA Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of the RLA Polymers NZ business is set out in the ASX announcement dated 10 March 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	John Harvie – 181,962 shares. Aquasoleil Limited (NZCN 1594861) - 181,962 shares.
The number and class of securities DGL issued.	363,924 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	1 April 2022.

The price or other consideration DGL has received for the issue.	DGL acquired the RLA Polymers NZ business for an anticipated \$4.6 million. The acquisition was funded by both \$3.45 million cash and shares, with the share component valued at \$1.07 million (based on the 5 day VWAP prior to completion) at completion.
The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by DGL for the acquisition of the RLA Polymers NZ business.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$3.45 million cash and 363,924 shares. The securities are subject to a 12-month escrow period ending on 31 March 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 6.

7. Item 7 – Ratification of prior issue of securities to Total Bio Group Pty Ltd vendors

On 3 May 2022 (**Total Coolants Issue Date**), DGL issued fully paid ordinary shares in DGL to the former shareholders of Total Bio Group Pty Ltd ACN 165 166 512 (**Total Coolants**) as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Total Coolants, as announced to the ASX on 22 April 2022 (**Total Coolants Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of Total Coolants is set out in the ASX announcement dated 22 April 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	Stone Poneys Nominees Pty Ltd ACN 113 583 743 as trustee for the Chapman Investment Fund - 49,459 shares. Vermeer Pty Ltd ACN 606 083 774 as trustee for O'Hara Family Trust - 24,730 shares.
The number and class of securities DGL issued.	74,189 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	3 May 2022.

The price or other consideration DGL has received for the issue.	DGL acquired Total Coolants for \$2.47 million. The acquisition was funded by both \$2.17 million cash and shares, with the share component valued at \$300,000.
The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by the Company for the acquisition of Total Coolants.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$2.17 million cash and 74,189 shares. The securities are subject to a 12-month escrow period ending on 1 May 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 7.

8. Item 8 – Ratification of prior issue of securities to Flexichem Australia Pty Ltd vendors

On 1 September 2022 (**Flexichem Issue Date**), DGL issued fully paid ordinary shares in DGL to the former shareholders of Flexichem Australia Pty Ltd ACN 617 653 764 (**Flexichem**) as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Flexichem, as announced to the ASX on 7 July 2022 (**Flexichem Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition Flexichem is set out in the ASX announcement dated 7 July 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	SA & PL Holdings Pty Ltd ACN 617 647 944 as trustee for the SPDBL Trust - 241,896 shares. D & R Alexander Pty Ltd ACN 617 646 894 as trustee for the D & R Alexander Trust - 241,896 shares. BM & JM Alexander Pty Ltd ACN 617 647 113 as trustee for the Benette Holdings Trust - 241,896 shares.
The number and class of securities DGL issued.	725,689 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	1 September 2022.

The price or other consideration DGL has received for the issue.	DGL acquired Flexichem for \$6.2 million. The acquisition was funded by both \$4.65 million cash and shares, with the share component valued at \$1.55 million.
The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by the Company for the acquisition of Flexichem.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$4.65 million cash and 725,689 shares. The securities are subject to a 12-month escrow period ending on 31 August 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 8.

9. Item 9 – Ratification of prior issue of securities to Clarkson Freightlines

On 5 September 2022 (**Clarkson Transport Issue Date**), DGL issued fully paid ordinary shares in DGL to Clarkson Freightlines Pty Ltd ACN 109 230 506 as trustee for the Clarkson and Connolly Transport Trust (**Clarkson Freightlines**) as part of the purchase price paid by DGL for the acquisition of the Clarkson Transport business, as announced to the ASX on 30 August 2022 (**Clarkson Transport Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of the Clarkson Transport business is set out in the ASX announcement dated 30 August 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	Clarkson Freightlines Pty Ltd ACN 109 230 506 as trustee for the Clarkson and Connolly Transport Trust.
The number and class of securities DGL issued.	278,149 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	5 September 2022.
The price or other consideration DGL has received for the issue.	DGL acquired the Clarkson Transport business for \$6.75 million. The acquisition was funded by both \$6.25 million cash and shares, with the share component valued at \$500,000.

The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by DGL for the acquisition of the Clarkson Transport business.
If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$6.75 million cash and 278,149 shares. The securities are subject to a 6-month escrow period ending on 4 March 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 9.

10. Item 10 – Ratification of prior issue of securities to BTX Group Pty Ltd vendors

On 4 October 2022 (**BTX Issue Date**), DGL issued fully paid ordinary shares in DGL to the former shareholders of BTX Group Pty Ltd ACN 131 302 942 (**BTX**) as part of the purchase price paid by DGL for the acquisition of 100% of the shares in BTX, as announced to the ASX on 30 August 2022 (**BTX Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of BTX is set out in the ASX announcement dated 30 August 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	Stormigroup Pty Ltd ACN 658 439 144 as trustee for the KTB Future Fund - 338,785 shares. Grebel Future Fund Pty Ltd ACN 655 752 686 as trustee for the Tobin Family Trust - 338,785 shares.
The number and class of securities DGL issued.	677,570 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
The date(s) on which the securities were issued.	4 October 2022.
The price or other consideration DGL has received for the issue.	DGL acquired the BTX for \$7.25 million. The acquisition was funded by both \$5.8 million cash and shares, with the share component valued at \$1.45 million.
The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by the Company for the acquisition of BTX.

If the securities were issued under an agreement, a summary of any material terms of the agreement.	The acquisition was funded by both \$5.8 million cash and 677,570 shares. The securities are subject to a 12-month escrow period ending on 3 October 2023.
--	---

If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
--	------

Voting exclusions	Please refer to page 10 for details on this voting exclusion.
--------------------------	---

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 10.

11. Item 11 – Ratification of prior issue of securities to Aquadex Pty Ltd vendors

On 4 October 2022 (**Aquadex Issue Date**), DGL issued fully paid ordinary shares in DGL to the former shareholders of Aquadex Pty Ltd ACN 102 261 727 (**Aquadex**) as part of the purchase price paid by DGL for the acquisition of 100% of the shares in Aquadex, as announced to the ASX on 30 August 2022 (**Aquadex Issue**). The details required by ASX Listing Rule 7.5 are set out below. Further information regarding the acquisition of Aquadex is set out in the ASX announcement dated 30 August 2022.

The name(s) of the person(s) to whom DGL issued the securities, or the basis on which those persons were identified or selected.	FSSL Group Pty Ltd ACN 633 451 966 as trustee for the FSSL Group Trust - 981,308 shares. Contract Services Pty Ltd ACN 618 741 950 as trustee for the Eugenia Trust- 981,309 shares. Melcarbay Pty Ltd ACN 144 748 229 as trustee of the JM2 Trust - 981,308 shares.
---	--

The number and class of securities DGL issued.	2,943,925 fully paid ordinary shares ranking equally with all other existing fully paid ordinary shares.
---	--

If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	N/A, the shares are fully paid ordinary shares.
---	---

The date(s) on which the securities were issued.	4 October 2022.
---	-----------------

The price or other consideration DGL has received for the issue.	DGL acquired the Aquadex for \$7 million. The acquisition was funded by both \$0.7 million cash and shares, with the share component valued at \$6.3 million.
---	---

The purpose of the issue, including the use or intended use of any funds raised by the issue.	As part of the purchase price paid by the Company for the acquisition of Aquadex.
--	---

If the securities were issued under an agreement, a summary	The acquisition was funded by both \$0.7 million cash and 2,943,925 shares.
--	---

of any material terms of the agreement.	The securities are subject to a 12-month escrow period ending on 4 October 2023.
If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A.
Voting exclusions	Please refer to page 10 for details on this voting exclusion.

Further information regarding ASX Listing Rules 7.1 and 7.4, and disclosure for the purposes of ASX Listing Rule 14.1A, is set out at page 14 above.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of item 11.

12. Item 12 – Approval of provision of financial assistance

(a) Background to section 260B(2)

The purpose of this Explanatory Statement is to explain in detail the proposed resolution set out above which must be passed as a special resolution by Shareholders, under section 260B(2) of the *Corporations Act 2001* (Cth) (the **Act**), to enable certain recently acquired subsidiaries of the Company (or entities imminently to be acquired that will become subsidiaries of the Company) to financially assist the Company in connection with the acquisition of those subsidiaries.

This Explanatory Statement is an important document. Please read it carefully.

(b) Background to Resolutions

The Company, either directly or through one of its subsidiaries, acquired or is anticipated imminently to acquire 100% of the share capital in the following entities via share purchase agreements (**Acquisitions**):

- (i) on 1 December 2021, Austech Chemicals Pty Ltd ACN 124 370 761 (**Austech**);
- (ii) on 1 May 2022, Total Bio Group Pty Ltd ACN 165 166 512 (Total Bio), which holds 100% of the share capital in Total Coolant Management Solutions Pty Ltd ACN 165 018 619 (**Total Coolant**) (acquired by Austech);
- (iii) on 1 September 2022, Flexichem Australia Pty Ltd ACN 617 653 764 (**Flexichem**) (acquired by DGL Manufacturing Pty Ltd ACN 167 987 064 (**DGL Manufacturing**));
- (iv) on 4 October 2022, BTX Group Pty Ltd ACN 131 302 942 (**BTX**);
- (v) on 4 October 2022, Aquadex Pty Ltd ACN 102 261 727 (**Aquadex**); and
- (vi) Acacia Ridge Container Park Pty Ltd ACN 108 103 395 (**Acacia Ridge**) which is anticipated to be acquired in October 2022 (but which acquisition has not been completed as at finalisation of this Notice)

(together, the **New Subsidiaries**).

On completion of each Acquisition, the Company became (or will become) the ultimate listed holding company of the New Subsidiaries.

The Acquisitions were (or will be) funded (in whole or in part) by debt provided by Australia and New Zealand Banking Group Limited ACN 005 357 522 (**Lender**). In particular, the relevant debt was either provided (or refinanced) pursuant to a syndicated facility agreement arranged and currently provided by the Lender (the **Facility Agreement**). Security and guarantees in respect of amounts owing in connection with the Facility Agreement and other arrangements maintained with the Lender and its affiliates (in each case, as described in more detail below) are held on behalf of the various finance

parties by ANZ Fiduciary Services Pty Ltd ACN 100 709 493 as security trustee (**Security Trustee**).

In addition, under or in connection with the Facility Agreement, the Company and certain subsidiaries have access to various other financing arrangements which are secured pursuant to a common suite of guarantees and security (as described in more detail below) held by the Security Trustee on behalf of the relevant finance service provider(s) from time to time. These arrangements include:

- (i) certain ancillary facilities, including:
 - (A) asset finance arrangements;
 - (B) overdraft arrangements;
 - (C) a standby letter of credit and bank guarantee arrangements; and
 - (D) credit card arrangements;
- (ii) interest rate and currency hedging arrangements; and
- (iii) various bank accounts.

The arrangements above are currently provided either by the Lender or its New Zealand affiliate – ANZ Bank New Zealand Limited.

It is noted that the security trust structure described above may allow the Company (and certain subsidiaries) to incur additional secured financial indebtedness from time to time.

Certain subsidiaries of the Company are Guarantors (as defined in the Facility Agreement) of the indebtedness under the Facility Agreement. In accordance with the Obligor Group Coverage Test (as described in the Facility Agreement), the Company is required to ensure that certain other subsidiaries become Guarantors of the indebtedness under the Facility Agreement.

To comply with the Obligor Group Coverage Test, the Company must procure that each New Subsidiary provide the following in favour of the Lender (separately from acceding to the Facility Agreement if it wishes to become a Borrower under that document):

- (i) unlimited cross-guarantees and indemnities, pursuant to which each New Subsidiary is jointly and severally liable for all of the liabilities and obligations of the Company and each other Guarantor with respect to the Facility Agreement and each other related debt financing document (including as described above);
- (ii) costs provisions, representations and warranties, covenants, restrictive undertakings and indemnities for the benefit of the Lender and certain other finance parties from time to time;
- (iii) security over all its assets, present and after-acquired property and undertaking in favour of the Lender pursuant to a general security agreement;
- (iv) an account control deed in relation to certain of its bank accounts; and
- (v) such other security interests (howsoever defined) in favour of the Lender (or its nominee) as each New Subsidiary may be required to provide under or in connection with the Facility Agreement, and each other related debt financing document (including as described above),

(collectively, the **Security**).

(c) **Financial Assistance**

Provision of the Security by each New Subsidiary may constitute financial assistance by each of them of the acquisition of their own or a holding company's shares for the purposes of section 260A of the Act. The reasons for this include, but are not limited to, the fact that each New Subsidiary will be guaranteeing the obligations of other parties to the Facility Agreement, including in connection with funding the Acquisitions, and giving security over its assets to secure that guarantee (**Proposed Financial Assistance**).

The Company seeks approval from the Shareholders for the giving of Proposed Financial Assistance described in this Explanatory Statement, in accordance with section 260A(1)(b) and section 260B(2) of the Act.

(d) Effect of the proposed financial assistance

The substantial effect of the Proposed Financial Assistance by the New Subsidiaries is that they will guarantee, and grant security over all of their assets and undertakings to secure, all amounts payable under the Facility Agreement. If there is a default in the due and punctual payment of amounts owing under the Facility Agreement or if certain other events of default occur, the Company could be required to immediately pay on demand all amounts then owing by the Company under the Facility Agreement. To the extent such amounts are not repaid, guarantees and security granted by the New Subsidiaries and other Obligors (as defined in the Facility Agreement) may become enforceable by the Lender. The Lender may be entitled to exercise its rights in respect of indemnities granted by the Company and the other Obligors (including the New Subsidiaries).

As the Company is already liable for the amounts payable under the Facility Agreement, the giving of the Proposed Financial Assistance described in this Explanatory Statement is unlikely to have any material adverse effect on the Company. Further, the Directors are advised that it is not unusual for newly acquired subsidiaries to provide guarantees and undertakings of the type outlined above for financings of the type there described.

The advantages of the Proposed Financial Assistance include that it will enable the Company to comply with its obligations under the Facility Agreement and to ensure that such facilities remain available (including to the New Subsidiaries themselves if they accede as borrowers under that agreement). If such obligations (including the obligation to procure the grant of guarantees and security) are not complied with, the Lender under the Facility Agreement would be entitled to default the Company under the Facility Agreement.

The disadvantages of the Proposed Financial Assistance include the following:

- (i) the New Subsidiaries will become jointly and severally liable for all amounts due under the Facility Agreement from time to time;
- (ii) the operations of the New Subsidiaries may become restricted by the representations and undertakings in the Facility Agreement;
- (iii) although the Directors consider this unlikely, the Company or certain other group companies may default under the Facility Agreement and that will impact the New Subsidiaries in the manner described above;
- (iv) in the event of default, the Lender may make a demand under the guarantees provided by the New Subsidiaries requiring immediate repayment of the amounts due under the Facility Agreement, which may result in a winding up of one or more of the members of the Company's corporate group (including the New Subsidiaries); and
- (v) in the event of default, the Lender will be entitled to enforce the security granted by the members of the Company's corporate group (including the New Subsidiaries) and accordingly take control of, and realise, all of the assets and undertakings of such companies.

(e) Corporations Act requirements

Section 260A(1) of the Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company if (among other things) the assistance is approved by the company itself under section 260B(1) of the Act. Further, if, immediately after the acquisition, a company will be a subsidiary of any Australian corporation that is listed, then the financial assistance must also be approved by a special resolution passed under section 260B(2) of the Act at a general meeting of that corporation. The Company, following completion of the Acquisitions, became (or will become) the ultimate Australian holding company (for the purposes of section 260B(2) of the Act) of the New Subsidiaries. Accordingly, the giving of the Proposed Financial Assistance must be approved by a special resolution of Shareholders, in the form set out at the beginning of this Explanatory Statement.

(f) **Reasons for giving financial assistance**

The reason for the New Subsidiaries providing financial assistance is to enable the Company to comply with certain obligations under the Facility Agreement, and to enable the New Subsidiaries to become borrowers under that agreement and to guarantee the obligations of the Company and certain other group companies as borrowers, and to grant security for all liabilities under the Facility Agreement. The Directors note that the funds provided under the Facility Agreement are for the ongoing funding of the Company and its subsidiaries and is crucial to the ongoing operations of those entities.

Approval is also being sought for any financial assistance that may arise on any subsequent refinancing, extension, variation or replacement of the Facility Agreement, or the provision of further security in connection with the Facility Agreement or to be held by the Security Trustee in connection with the Facility Agreement. This is to preserve the Company's right to refinance without seeking further whitewash approval.

(g) **Recommendation of Directors**

The Directors considered the giving of the Proposed Financial Assistance and were of the opinion that there were reasonable grounds to believe that it was in the best interests and for the commercial benefit of the Company and the New Subsidiaries. Further, the Directors are advised that it is not unusual for newly acquired subsidiaries to provide guarantees and undertakings of the type outlined above for financings of the type there described.

(h) **Shareholder approval**

Section 260B(2) of the Act requires that the Shareholders of the Company approve the Subsidiaries giving the financial assistance described in section 4 by a special resolution passed at a general meeting of the Company.

(i) **Prior notice to ASIC**

As required by sections 260B(5) and 249A(5) of the Act, copies of the proposed resolution and the documents relating to the financial assistance that accompanied the resolution sent to the Shareholders (including this Explanatory Statement), were lodged with the Australian Securities and Investments Commission prior to their dispatch to the Shareholders.

(j) **Disclosure**

The Directors consider that the Notice and this Explanatory Statement contain all information known to the Company that would be material to the Shareholders in deciding how to vote on the proposed resolution set out above, and that there is no other information that is known to the Company that is material to a Shareholder's decision on this Resolution, other than information that would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to the Shareholders.

(k) **Action to be taken by shareholders**

The Shareholders should read the Notice and this Explanatory Statement carefully before deciding on how to vote on the Resolutions.




ACN 002 802 646

LODGE YOUR VOTE


 **ONLINE**
<https://investorcentre.linkgroup.com>

 **BY MAIL**
DGL Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND***
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*During business hours Monday to Friday

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474


LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am (Melbourne time) on Sunday, 13 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**
<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

 **BY MOBILE DEVICE**
Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item 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 items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND 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's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (Melbourne time) on Tuesday, 15 November 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **RACV Club 501 Bourke Street Level 2, Bayside Room 4a Melbourne Victoria** or logging in online at <https://meetings.linkgroup.com/DGL22> (refer to details in the Virtual Annual General Meeting Online Guide).

Important for Resolution 2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 2, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Ratification of prior issue of securities to Clarkson Freightlines Pty Ltd as trustee for the Clarkson and Connolly Transport Trust (Clarkson Freightlines)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Peter Lowe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Ratification of prior issue of securities to BTX Group Pty Ltd (BTX) vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Re-election of Robert McKinnon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Ratification of prior issue of securities to Aquadex Pty Ltd (Aquadex) vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of prior issue of securities to Austech Chemicals Pty Ltd (Austech Chemicals) vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of provision of financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of securities to Australian Logistics Management Pty Ltd as trustee for the ALM Unit Trust (ALM)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of prior issue of securities to shareholders of RLA Polymers NZ Limited (RLA Polymers)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Ratification of prior issue of securities to Total Bio Group Pty Ltd (Total Coolants) vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Ratification of prior issue of securities to Flexichem Australia Pty Ltd (Flexichem) vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

DGL PRX2201N





ACN 002 802 646

LODGE YOUR QUESTIONS

ONLINE
<https://investorcentre.linkgroup.com>

BY MAIL
 DGL Group Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

BY FAX
 +61 2 9287 0309

BY HAND
 Link Market Services Limited
 Parramatta Square, Level 22, Tower 6,
 10 Darcy Street, Parramatta NSW 2150

ALL ENQUIRIES TO
 Telephone: 1300 554 474 Overseas: +61 1300 554 474



X999999999999

Please use this form to submit any questions about DGL Group Limited ("the Company") that you would like us to respond to at the Company's 2022 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **5:00pm (Melbourne time) on Tuesday, 8 November 2022.**

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

QUESTIONS

My question relates to (please mark the most appropriate box)

<input type="checkbox"/> Performance or financial reports	<input type="checkbox"/> A resolution being put to the AGM	<input type="checkbox"/> General suggestion
<input type="checkbox"/> Remuneration Report	<input type="checkbox"/> Sustainability/Environment	<input type="checkbox"/> Other
<input type="checkbox"/> My question is for the auditor	<input type="checkbox"/> Future direction	

<input type="checkbox"/> Performance or financial reports	<input type="checkbox"/> A resolution being put to the AGM	<input type="checkbox"/> General suggestion
<input type="checkbox"/> Remuneration Report	<input type="checkbox"/> Sustainability/Environment	<input type="checkbox"/> Other
<input type="checkbox"/> My question is for the auditor	<input type="checkbox"/> Future direction	
