Monadelphous Group Limited

Notice of Annual General Meeting and

Explanatory Memorandum to Shareholders

Date of Meeting

19 November 2013

Time of Meeting

10.00 am

Place of Meeting

The University Club in the theatre auditorium, The University of Western Australia (UWA), Crawley, Western Australia.

Monadelphous Group Limited
ACN 008 988 547
(“**Company**”)

Notice of Annual General Meeting

The Monadelphous Group Limited 2013 Annual General Meeting (AGM) will be held on Tuesday, 19 November 2013, at The University Club, University of Western Australia (UWA), Crawley, in the theatre auditorium, commencing at 10:00am (AWST).

[Please refer to the attached map for directions to The University Club, University of Western Australia, Crawley]

AGENDA

Ordinary Business

1. Chairman’s Address

The Chairman will address the meeting.

2. Managing Director’s Address

The Managing Director will address the meeting.

3. Financial Report, Directors’ Report and Auditor’s Report

To receive and consider the Financial Report for the year ended 30 June 2013, together with the Directors’ Report and Auditor’s Report for that period.

4. Resolutions

Resolution 1: Election of Director – Mr John Rubino

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

> *That Mr John Rubino, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.*

Resolution 2: Election of Director – Mr Christopher Michelmore

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

> *That Mr Christopher Michelmore, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.*

Resolution 3: Adoption of Remuneration Report

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

> *That the Remuneration Report for the year ended 30 June 2013 be adopted.*

Short explanation: The Remuneration Report is contained in the Directors’ Report and sets out the policy for the remuneration of the Directors and executives of the Company. Pursuant to the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition

To the extent required by section 250R of the Corporations Act, a vote on Resolution 3 must not be cast (in any capacity) by or on behalf of a member of the Company’s key management personnel, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member. However, a person (the “**voter**”) may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:

(a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 3; or

(b) the Chairman of the meeting and the appointment of the Chairman as proxy does not specify how the proxy is to vote on Resolution 3 and expressly authorises the Chairman to exercise the proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel.

General Business

5. Other Business

Shareholders will be provided with the opportunity to transact any other business which may be lawfully brought forward.

How to Vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Annual General Meeting; or
- submitting their proxy appointment and voting instructions online at www.investorvote.com.au, by post using the pre-addressed envelope provided with this Notice of Annual General Meeting, or by facsimile to 1800 783 447 (within Australia) or 61 3 9473 2555 (outside Australia).

By Order of the Board

Philip Trueman
Company Secretary

15 October 2013

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Monadelphous Group Limited (ACN 008 988 547) to be held at The University Club, University of Western Australia, Crawley, Western Australia on Tuesday, 19 November 2013 at 10:00am (AWST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

If you appoint the Chairman as your proxy, or the Chairman is appointed as your proxy by default, **please note that the Chairman of the meeting intends to vote all undirected proxies held by him, and which are able to be voted, <u>in favour</u> of all Resolutions.**

2. Glossary

The following terms and abbreviations used in this Explanatory Memorandum (and the Notice of Annual General Meeting to which it relates) have the following meanings:

"ASX"	ASX Limited trading as Australian Securities Exchange
"ASX Listing Rules"	The Official Listing Rules of the ASX, as amended from time to time
"Company"	Monadelphous Group Limited
"Company's Constitution"	The Constitution of the Company as last amended at the Company's Annual General Meeting held on 22 November 2011
"Corporations Act"	Corporations Act 2001 (Cth) as amended from time to time
"Directors" or "Board"	The directors of the Company in office at the date of the Notice of Annual General Meeting
"Resolution"	A Resolution in the Notice of Annual General Meeting to which this Explanatory Memorandum relates
"Shares"	Fully paid ordinary shares in the Company
"Shareholder"	Person registered as the holder of Shares in the register of members of the Company

3. Financial Reporting

As required by section 317 of the Corporations Act, the Financial Report of the Company (including consolidated financial statements of the Company and its controlled entities), Directors' Report and Auditor's Report for the most recent financial year will be laid before the meeting. Shareholders will be provided with the opportunity to ask questions about the reports or about the Company and the consolidated entity generally but there will be no formal resolution put to the meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor's Report or the conduct of the audit. Questions to the Auditor should ideally be submitted 48 hours prior to the Annual General Meeting using the Shareholder Questions form attached.

4. Shareholder Approvals Required

<u>Resolution 1: Election of Director – Mr John Rubino</u>

Mr Calogero Giovanni Battista Rubino retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Rubino was appointed to the Board on 18 January 1991 as Managing Director. On 30 May 2003, Mr Rubino resigned as Managing Director and continued as Chairman of the Board. He has 47 years experience in the construction and engineering services industry. Mr Rubino was last re-elected as a Director of the Company at the 2010 Annual General Meeting.

The Board (other than Mr Rubino, who abstained) unanimously recommends that Shareholders vote in favour of Mr Rubino's re-election.

<u>Resolution 2: Election of Director – Mr Christopher Michelmore</u>

Mr Christopher Percival Michelmore retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Michelmore was appointed to the Board on 1 October 2007. He is a Civil Engineer and Fellow of the Institution of Engineers Australia. Mr Michelmore has 41 years experience in the construction and engineering services industry. Mr Michelmore was last re-elected as a Director of the Company at the 2010 Annual General Meeting.

The Board (other than Mr Michelmore, who abstained) unanimously recommends that shareholders vote in favour of Mr Michelmore's re-election.

4. Shareholder Approvals Required (continued)

Resolution 3: Adoption of Remuneration Report

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their report for a financial year. Section 250R(2) requires that the Remuneration Report be put to the vote at the Company's Annual General Meeting.

In accordance with the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors. However, under the "two strikes" rule, the Company will be required to put a resolution to shareholders to hold new elections for Directors if, at two consecutive annual general meetings, more than 25% of the votes cast on a resolution to adopt the Remuneration Report (such as Resolution 3) are cast against that resolution. Accordingly, if 25% or more of the votes cast at the meeting on Resolution 3 are against that Resolution and if, at the next annual general meeting in 2014, 25% or more of the votes are again cast against the resolution to adopt the Remuneration Report, then the Company will be required to propose a resolution to hold another general meeting within the following 90 days (a "**Spill Meeting**"). If more than 50% of Shareholders vote in favour of this resolution, then at the Spill Meeting all Directors (other than a Managing Director) will cease to hold office immediately before the end of the Spill Meeting, but may, if eligible, stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved would be the Directors of the Company.

Key management personnel, details of whose remuneration are included in the Remuneration Report, and their closely related parties are prohibited from voting on Resolution 3, except in the circumstances described in the voting prohibition set out in the Notice of Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

5. Questions

Shareholders are invited to put any questions to the Company in writing before the meeting using the attached form at Appendix A. Submitting a question in advance of the meeting does not in any way limit your ability to ask questions in person at the Annual General Meeting.

Appendix A - Shareholder Questions

The Board of Monadelphous Group Limited welcomes your questions in relation to the Company.

Registered shareholders will be provided with the opportunity to ask questions at the Annual General Meeting. However, as an alternative, shareholders are invited to submit their questions in advance of the meeting.

The Board will endeavour to address as many of the more frequently asked questions during the course of the Annual General Meeting presentations.

If you would like to submit a question, please complete this form and forward to: The Company Secretary, Monadelphous Group Limited, PO Box 600, Victoria Park, WA 6979 or email your question(s) to agmquestion@monadel.com.au.

All questions should be submitted to the Company by 18 November 2013.

YOUR QUESTION(S)
(Please complete all sections)

Shareholder Name…………………………………………………………………………………………………..…

Address……….

General Shareholder Question(s):
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………
………

Signature ________________________________ Date ____________________

The University of Western Australia Campus Map

Monadelphous 2013 Annual General Meeting

The Monadelphous Group Limited 2013 Annual General Meeting (AGM) will be held on Tuesday, 19 November 2013 at the University Club, The University of Western Australia (UWA), Crawley, WA, in the theatre auditorium, commencing at 10am (AWST).

Direct entry to the theatre auditorium is by the rear (Reid Library end) of The University Club. Wheelchair access is through the main entrance of The University Club (facing Matilda Bay) or the undercroft car park.

Transportation
To get to UWA by public transport, please check with Transperth for current information on telephone 13 62 13 or visit www.transperth.wa.gov.au

Bus routes to UWA: 23, 24, 78, 79, 97, 98 ,99 102, 103 and 107.

There is paid parking adjacent to The University Club at Car Park #3 and limited reserved parking in the undercroft of The University Club.