



Notice of Annual General Meeting

The Monadelphous Group Limited
2014 Annual General Meeting (AGM)

The University Club
University of Western Australia (UWA), Crawley
Thursday, 20 November 2014

Theatre Auditorium
10:00am (AWST)

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 2014, together with the Directors' Report and Auditor's Report for that period.

4. Resolutions

Resolution 1: Re-election of Director – Mr Dietmar Voss

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

That Mr Dietmar Voss, who has been appointed by the Directors in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.

Resolution 2: Re-election of Director – Mr Peter Dempsey

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

That Mr Peter Dempsey, 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: Fees to Non-Executive Directors

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

That for the purposes of ASX Listing Rule 10.17 and Clause 11.15 of the Company's Constitution, the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive directors per annum is increased by \$200,000, from \$400,000 to \$600,000 per annum.

Voting Exclusion:

The Company will disregard any votes cast on Resolution 3 by Directors of the Company and their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4: 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 2014 be adopted.

Note: Pursuant to the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

To the extent required by section 250R of the Corporations Act, a vote on Resolution 4 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 4; or
- (b) the chair of the meeting and the appointment of the chair as proxy does not specify how the proxy is to vote on Resolution 4 and expressly authorises the chair to exercise the proxy even though Resolution 4 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 an opportunity to transact any other business which may be lawfully brought forward.

How to Vote

Shareholders can vote by:

- 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).

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 3 or 4 if the person is either a member of key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the resolution. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

By Order of the Board



Zoran Bebic
Company Secretary

17 October 2014

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 Thursday, 20 November 2014 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, in favour 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 an 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, or email your question(s) to agmquestion@monadel.com.au.

4. Shareholder Approvals Required

Resolution 1: Re-election of Director – Mr Dietmar Voss

Mr Dietmar Robert Voss was appointed as a Director by the Board on 10 March 2014 to replace Mr Irwin Tollman who resigned on 31 January 2014. Mr Voss retires as a Director of the Company in accordance with the Company’s Constitution, and, being eligible, offers himself for re-election.

Mr Voss recently retired following a long and distinguished career spanning 40 years, having worked in an executive management capacity in the oil and gas, and mining and minerals industries. He has worked for a number of global mining and engineering businesses during this time, such as BHP Billiton, Hatch and Bechtel, throughout Australia, the US, Europe, the Middle East and Africa. Mr Voss is a Chemical Engineer, and has completed a Masters of Business Administration, majoring in Finance and Quantitative Methods, in addition to a law degree.

Mr Voss does not hold any other directorships. He does not hold any Monadelphous shares and does not have any relationships with the Company or any of its Directors. Mr Voss is 64 years old and resides in Perth. The Board considers Mr Voss to be an independent director. Mr Voss is also a member of the Monadelphous Audit Committee and Remuneration Committee.

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

Resolution 2: Re-election of Director – Mr Peter Dempsey

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

Mr Dempsey was appointed as a non-executive Director of the Company on 30 May 2003. He is a Civil Engineer and Fellow of Engineers Australia. Mr Dempsey has 42 years' experience in the construction and engineering services industry. Mr Dempsey was last re-elected as a Director of the Company at the 2012 Annual General Meeting.

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

Resolution 3: Fees to Non-Executive Directors

In accordance with Clause 11.15 of the Company's Constitution and ASX Listing Rule 10.17, Shareholder approval is sought to increase the maximum aggregate amount of directors' fees per annum that may be paid by the Company to its non-executive directors ("**Fee Pool**") by \$200,000, from \$400,000 to \$600,000 per annum. The current Fee Pool of \$400,000 was approved by Shareholders at the 2007 Annual General Meeting.

Under the ASX Listing Rules, the term "directors' fees" includes committee fees, superannuation contributions and fees which a director sacrifices for other benefits, but does not include reimbursement of genuine out-of-pocket expenses, genuine "special exertion" fees or securities issued to non-executive directors with approval of Shareholders in accordance with the ASX Listing Rules.

The Directors are seeking Shareholder approval to increase the Fee Pool for the following reasons:

- As a result of the significant growth of the Company over recent years, the Directors continue to review the size and composition of the Board. The increase in the Fee Pool will provide the Board with the ability to appoint additional directors with the requisite skills and experience as appropriate; and
- The increase will ensure that the Company maintains the ability to pay non-executive directors remuneration at levels commensurate with market rates and as necessary to attract and retain directors of the highest calibre.

The level of non-executive directors' remuneration is reviewed annually to ensure alignment with the market. The Directors are satisfied that the proposed Fee Pool will be within the average bands applying to companies within our industry that are of similar size, profitability, growth and risk profiles.

Additional information regarding the Company's approach to the remuneration of non-executive directors is set out in the Remuneration Report.

Resolution 4: Adoption of Remuneration Report

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their Directors' 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 4) are cast against that resolution. Accordingly, if 25% or more of the votes cast at the meeting on Resolution 4 are against that Resolution and if, at the next annual general meeting in 2015, 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 4, except in the circumstances described in the voting exclusion 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.

