
NOTICE OF 2019 ANNUAL GENERAL MEETING

EMECO HOLDINGS LIMITED (ACN 112 188 815)

The Annual General Meeting of Emeco Holdings Limited (**Company** or **Emeco**) will be held at the offices of K&L Gates, Level 31, 1 O'Connell Street, Sydney, New South Wales on Thursday, 14 November 2019 commencing at 2:00pm (AEDT/Sydney time). Registrations will commence at 1.30pm (AEDT/Sydney time).

The Explanatory Notes to this Notice of Annual General Meeting provide additional information on matters to be considered at the meeting. The Explanatory Notes form part of this Notice of Annual General Meeting.

BUSINESS

1. Consideration of reports

To receive and consider the financial report, the directors' report and the auditor's report of the Company for the financial year ended 30 June 2019 as set out in the Annual Report.

2. Questions and comments

Shareholders as a whole will be given a reasonable opportunity to ask questions about or comment on the management and audit of the Company.

3. Items for approval

Resolution 1: Re-election of Mr Peter Frank

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

"That Mr Peter Frank, who retires as a Director by rotation in accordance with the Constitution, and being eligible for re-election, is elected as a Director."

Resolution 2: Approval of the issue of Rights under the Emeco Hybrid Incentive Plan to Mr Ian Testrow, the Managing Director and Chief Executive Officer, for the 2019 financial year

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

"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the issue of 13,646 Rights to Mr Ian Testrow, the Managing Director and

Chief Executive Officer of the Company, pursuant to the terms of the Emeco Hybrid Incentive Plan, as described in the Explanatory Memorandum which accompanies and forms part of the Notice of Annual General Meeting."

Voting prohibitions: In accordance with the Corporations Act and ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution 2 by or on behalf of:

- (a) any Director who is eligible to participate in the Emeco Hybrid Incentive Plan and any associates of such persons;
- (b) if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, that person and any associates of that person; and
- (c) as proxy, any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel, who is not directed how to vote.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as a proxy for a person entitled to vote on Resolution 2, in accordance with a direction in the proxy form; or
- (b) by the Chairman as proxy where the appointment of the Chairman as proxy (expressly or by default):
 - i. does not specify the way the proxy is to vote on the Resolution; and
 - ii. expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes for Resolutions 2, 3 and 4".

**Resolution 3:
Adoption of the Remuneration Report**

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

"That the remuneration report for the financial year ended 30 June 2019 be adopted."

The Remuneration Report forms part of the directors' report (included in the Annual Report at pages 20 to 38).

The vote on this Resolution is advisory only. If 25% or more of the votes cast on this Resolution are against the Resolution, the conditional spill resolution set out in Resolution 4 will be put to Shareholders for their consideration.

Voting prohibitions: In accordance with the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of the following persons:

- (a) a member of the Key Management Personnel for the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as a proxy for a person entitled to vote on Resolution 3, in accordance with a direction in the proxy form; or
- (b) by the Chairman as proxy where the appointment of the Chairman as proxy (expressly or by default):
 - i. does not specify the way the proxy is to vote on the Resolution; and
 - ii. expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes for Resolutions 2, 3 and 4".

Contingent business

**Resolution 4:
Conditional Spill Resolution**

Subject to and conditional upon at least 25% of the votes cast on Resolution 3 being cast against the Remuneration Report, to consider and, if thought fit, to pass the following as an ordinary resolution:

"That:

- (a) *the Company convene an extraordinary general meeting of the Company (**Spill Meeting**) within 90 days of the passing of Resolution 3;*
- (b) *all of the non-executive Directors in office when the resolution to approve the directors' report for the financial year ended 30 June 2019 was passed (being Peter Richards, Peter Frank, Keith Skinner and Darren Yeates) and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

Voting prohibitions: In accordance with the Corporations Act, the Company will disregard any votes cast on this Resolution by or on behalf of the following persons:

- (a) a member of the Key Management Personnel for the Company, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast:

- (a) by a person as a proxy for a person entitled to vote on Resolution 4, in accordance with a direction in the proxy form; or

- (b) by the Chairman as proxy where the appointment of the Chairman as proxy (expressly or by default):
- i. does not specify the way the proxy is to vote on the Resolution;
and
 - ii. expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Shareholders who intend to appoint the Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes for Resolutions 2, 3 and 4".

INFORMATION FOR SHAREHOLDERS

Availability of the Annual Report

As permitted by the Corporations Act, a printed copy of the Annual Report comprising the financial report, the directors' report and the auditor's report of the Company for the financial year ended 30 June 2019 has been sent only to those Shareholders who have elected to receive a printed copy. For those Shareholders who have not elected to receive a printed copy, the Annual Report is available online on the Company's website at:
<http://www.emecogroup.com/category/reports/>

Determination of entitlement to attend and vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that you will be entitled to attend and vote at the Annual General Meeting if you are registered as a holder of Shares as at 7.00pm (AEDT/Sydney time) on Tuesday, 12 November 2019. If you are not registered as a holder of Shares as at this time, you will not be entitled to attend or vote at the Annual General Meeting as a Shareholder.

If more than one joint holder of Shares is present at the Annual General Meeting (whether personally, or by proxy, attorney or representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Proxies

Appointing a proxy

A Shareholder who is entitled to attend and cast a vote at the Annual General Meeting may appoint not more than two other persons as that Shareholder's proxies. Where two proxies are appointed, a Shareholder may specify the proportion or the number of votes each proxy may exercise, failing which each proxy may exercise half of the Shareholder's votes.

A proxy need not be a Shareholder.

The Constitution provides that on a show of hands, every Shareholder present and entitled to vote has one vote. If you appoint a proxy who is also a Shareholder or is also a proxy for another Shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is taken on the relevant Resolution.

If you sign and return a proxy form and do not nominate a person to act as your proxy, the Chairman will be appointed as your proxy by default.

Lodging your proxy form

You can lodge your completed proxy form by:

- (a) mailing it to Link Market Services Limited using the reply-paid envelope;
- (b) posting it to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235;
- (c) lodging it online at Link Market Services Limited's website, www.linkmarketservices.com.au. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website;
- (d) by facsimile to Link Market Services Limited at 02 9287 0309 (from within Australia) or +61 2 9287 0309 (from outside Australia); or
- (e) hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes, New South Wales.

Your completed proxy form must be received by Link Market Services Limited as set out above or by the Company at its registered office at Level 3, 71 Walters Drive, Osborne Park, Western Australia 6017 by no later than 2.00pm (AEDT/Sydney time) on Tuesday, 12 November 2019, that is, at least 48 hours before the commencement of the Annual General Meeting.

If the proxy form is signed by an attorney, the original power of attorney (or a certified copy) under which the proxy form was signed must also be received by Link Market Services Limited as set out above or by the Company at its registered office at Level 3, 71 Walters Drive, Osborne Park, Western Australia 6017 by no later than 2.00pm (Sydney time) on Tuesday, 12 November 2019 unless it has previously been provided to Link Market Services Limited or the Company.

A personalised proxy form accompanies this Notice of Annual General Meeting. Additional proxy forms will be supplied by Link Market Services Limited on request.

How the Chairman will vote undirected proxies

The Chairman will vote all undirected proxies in **favour** of Resolutions 1, 2, 3 and **against** Resolution 4.

You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on any Resolution. Simply mark your voting directions on the proxy form before you return it.

In respect of Resolutions 2, 3 and 4, Shareholders should also refer to the important additional information below under the heading "Important information concerning proxy votes on Resolutions 2, 3 and 4".

Important information concerning proxy votes on Resolutions 2, 3 and 4

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report (see under "Voting prohibitions" in the Notice of Annual General Meeting) and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of Emeco are the Directors of Emeco and all other persons having authority and responsibility for planning, directing and controlling the activities of Emeco, directly or indirectly. The Remuneration Report identifies Emeco's Key Management Personnel for the financial year ended 30 June 2019. "Closely Related Party" is defined in the Corporations Act (and repeated in the Glossary of Defined Terms to the Explanatory Notes) and includes certain family members, dependants and companies controlled by Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy how to vote on all Resolutions. In particular, if you intend to appoint any Key Management Personnel of the Company or their Closely Related Parties as your proxy, you should direct your proxy to vote for or against or to abstain from voting on Resolutions 2, 3 and 4 by marking the appropriate box opposite these Resolution on the proxy form. If you do not direct such a proxy, **other than the Chairman**, how to vote on that Resolution they will **not** be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

Shareholders who intend to appoint the Chairman as their proxy (including an appointment by default) are also encouraged to direct the Chairman how to vote on all Resolutions, including Resolutions 2, 3 and 4.

If the Chairman of the meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote for or against or to abstain from voting on Resolutions 2, 3 and 4 by marking the appropriate box opposite these Resolutions on the proxy form.

However, if the Chairman is your proxy (expressly or by default) and you do not direct the Chairman how to vote in respect of Resolutions 2, 3 and 4 on the proxy form, you will be deemed to have expressly authorised the Chairman to vote your proxy in **favour** of Resolutions 2 and 3 and **against** Resolution 4. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolutions 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company; and
- (b) the Chairman has an interest in the outcome of Resolution 2, 3 or 4 and that votes cast by the Chairman for these Resolutions, other than as an authorised proxy holder, will be disregarded because of that interest.

Body corporate representative

In accordance with section 250D of the Corporations Act, any Shareholder being a body corporate may appoint an individual to act as its representative at the Annual General Meeting. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a Resolution.

Corporate Shareholders who wish to appoint a representative to attend the Annual General Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative. That formal notice of appointment must be brought to the Annual General Meeting.

Explanatory Notes

Please refer to the Explanatory Notes attached to this Notice of Annual General Meeting in relation to the items of business set out in this Notice.

By order of the Board



Penelope Young
Company Secretary
14 October 2019

EXPLANATORY NOTES

1. Consideration of reports

The financial report, directors' report and auditor's report for the financial year ended 30 June 2019 will be presented for consideration. There is no formal resolution to be voted on in relation to this item of business.

2. Questions and comments

Following consideration of the reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about, or comment on, the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Alternatively, you can submit written questions to the auditor that are relevant to the content of the auditor's report or to the conduct of the audit. Written questions must be received no later than 2.00pm (AEDT/Sydney time) on Thursday, 7 November 2019, by Link Market Services Limited (at the postal address or fax number for lodgement of proxies) or by the Company at Level 3, 71 Walters Drive, Osborne Park, Western Australia 6017.

The Chairman will also give the auditor a reasonable opportunity to answer any such written questions submitted by Shareholders. Any written questions submitted by Shareholders will be made available at the start of the Annual General Meeting. Any written answer tabled by the auditor at the Annual General Meeting will be made available as soon as practicable after the meeting.

3. Items for approval

Resolution 1:

Re-election of Mr Peter Frank, BSEE, MBA

Information on Mr Frank's experience

Appointment:

Mr Frank was appointed as a Non-Executive Director of Emeco on 1 April 2017.

Mr Frank retires by rotation at this Annual General Meeting and offers himself for re-election.

Skills and experience:

Mr Frank is currently a Senior Managing Director at Black Diamond.

Prior to joining Black Diamond, Mr Frank was President of GSC Group, a SEC-registered investment advisor, where he worked since 2001. From 2005 until 2008, he served as the Senior Operating Executive for GSC's private equity funds.

Prior to 2001, Mr Frank was the CEO of Ten Hoeve Bros Inc. and was an investment banker at Goldman Sachs & Co.

From April 2010 to May 2015, Mr Frank was a director of Viasystems Group Inc. and he is currently a director of Specialty Chemicals International Limited, Harvey Gulf International Marine LLC, IAP Worldwide Services Inc., North Metro Harness Initiative LLC, Grede Holdings LLC and Color Spot Holdings, Inc. Mr Frank has also served as chairman of the board of Kolmar Labs Group Inc., Scovill Inc. and Worldtex Inc.

Mr Frank graduated from the University of Michigan with a BSEE degree and earned an MBA from the Harvard Business School.

Mr Frank is a valuable member of the Board and has contributed to the success of the Company.

The Directors (with Mr Frank abstaining) unanimously recommend that Shareholders vote in favour of Resolution 1. Each of the Directors holding Shares in the Company intends to vote in favour of Resolution 1.

The Chairman intends to vote undirected proxies in favour of Resolution 1.

Resolution 2:

Approval of the issue of Rights under the Emeco Hybrid Incentive Plan to Mr Ian Testrow, the Managing Director and Chief Executive Officer, for the 2019 financial year

Resolution 2 seeks Shareholder approval for the issue of 13,646 Rights to fully paid ordinary Emeco shares to Mr Ian Testrow, the Managing Director and Chief Executive Officer, under the terms of the Emeco Hybrid Incentive Plan (EHIP). This proposed issue relates to the long-term incentive award component of Mr Testrow's remuneration for the 2019 financial year. Each Right represents a potential entitlement to one fully paid ordinary Emeco share.

Details of the EHIP and its operation are set out on pages 28 and 30 of the Remuneration Report and a copy of the employee incentive plan rules are available at <http://www.emecogroup.com/investors-overview/corporate-governance/>.

If this Resolution is passed and Mr Testrow receives Rights under the EHIP, the Rights will vest at the end of the vesting period, subject to Mr Testrow remaining employed by the Emeco Group. Unless an event that permits early vesting occurs (see below in these Explanatory Notes), vesting will occur following the release of the full year results in 2020. Rights that do not vest will lapse.

If Shareholder approval is not obtained, the Rights will not be granted.

Grant of Rights

Under and pursuant to the FY19 EHIP, Mr Testrow's maximum equity settled incentive opportunity under the FY19 EHIP was to up to 120% of his fixed annual remuneration (determined using the volume weighted average share price in July 2018 of \$3.53), subject to specified performance criteria (KPIs) being met.

As noted in the Annual Report, the Board assessed the Company's performance for the 2019 financial year against the KPIs and determined that Mr Testrow is entitled to receive 13,646 Rights, being equal to 4.76% of his fixed annual remuneration.

If this Resolution is passed and the Rights are awarded, they will be held in the Emeco Employee Share Ownership Trust, a trust operated by Pacific Custodians Pty Ltd (an independent professional trustee), until they vest in accordance with their terms.

Vesting of Rights

The Rights will vest:

- (a) if Mr Testrow remains employed with the Emeco Group until the vesting date, being the date following the release of the full year results in 2020;
- (b) if Mr Testrow leaves the Emeco Group prior to the vesting date due to death, total and permanent disability, retrenchment or retirement (in which case, a portion of the Rights will vest on a pro rata basis determined based on the period that Mr Testrow was employed during the performance period);
- (c) at the Board's discretion, if Mr Testrow leaves the Emeco Group prior to the vesting date for any other reason;
- (d) on the change date if there is an absolute change of control of the Company (being where a third party and its associates holds greater than 50% of the Shares in the Company); and
- (e) at the Board's discretion if there is an effective (but not absolute) change in control of the Company (being the occurrence of an event which results in a third party and its associates having the capacity to determine the outcome of decisions on the financial and operating policies of the Company).

Any Rights that do not vest will lapse.

Shareholder approval under the ASX Listing Rules

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval by ordinary resolution prior to permitting the acquisition of securities under an employee incentive scheme by a Director or an associate of a Director. As Mr Testrow is the Company's Managing Director, the Company is seeking approval for the acquisition of these Rights by Mr Testrow under ASX Listing Rule 10.14 and for all other purposes.

Information required under ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

Maximum number of securities to be granted and price: 13,646 Rights. On satisfaction of the service condition, Mr Testrow will receive one Share for each Right.

The Rights would be issued as part of Mr Testrow's remuneration and so there is no cash consideration payable by Mr Testrow (and accordingly no issue price). On vesting of the Rights, Mr Testrow will receive the Shares at no cost to Mr Testrow. No loans will be provided by the Company in connection with the award.

Details of prior issues or grants and entitlement to participate: As the only executive Director, Mr Testrow is currently the only Director (or person referred to in ASX Listing Rule 10.14) eligible to participate in the EHIP. Mr Testrow received a grant of 825,000 Rights for nil consideration under the EHIP in respect of the 2018 financial year (the grant of which was approved by Shareholders on 15 November 2018). No other issue has been made under the EHIP to a person for which approval would be required, since this last approval.

Voting exclusion: A voting exclusion statement is set out under Resolution 2 in the Notice of Annual General Meeting.

Date of grant: If approved, the Rights will be issued following the Annual General Meeting and no later than 12 months after the date of this Annual General Meeting.

Shareholder approval under the Corporations Act

Shareholder approval is also being sought for the potential future termination benefits under sections 200B and 200E of the Corporations Act should any of the Rights the subject of this Resolution 2 vest as a result of termination of employment.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company if it is approved by shareholders under section 200E of the Corporations Act or an exception otherwise applies.

Details of the retirement benefits

Under the terms of the EHIP, the Rights will vest prior to the vesting date (being the date following the release of the full year results in 2020) in the event of Mr Testrow's death, total and permanent disability, retrenchment or retirement.

In such event, Mr Testrow will be entitled to receive that number of Shares calculated on a pro-rata basis that is equal to the period that he was employed by the Emeco Group during the performance period (being the period commencing on 20 August 2018 and finishing on the vesting date).

If Mr Testrow's employment with the Emeco Group terminates prior to the vesting date for cause or as a result of resignation for any other reason, the Rights will lapse (unless the Board determines otherwise).

Where the Rights vest on an accelerated basis, the accelerated vesting may be considered a benefit in connection with Mr Testrow's retirement from office and, therefore, within the scope of section 200B of the Corporations Act.

This proposed benefit may fall within one of the recognised exceptions under the Corporations Act. However, in the event the Rights vest on an accelerated basis and such a benefit does not technically fall within any of the categories of exceptions set out in the Corporations Act, Shareholders are asked to approve the accelerated vesting of the Rights in these circumstances for the purposes of section 200E of the Corporations Act.

Value of the retirement benefits

The total value of the proposed benefit to be approved by Shareholders under this Resolution cannot be determined in advance. This is because various matters will or are likely to affect the value, including the market price of Shares at the time that any Rights vest and the period that Mr Testrow has been employed during the performance period. It also depends on the number of Rights (if any) out of the total of 13,646, that are vested on such an accelerated basis.

If and when Rights vest to Mr Testrow on an accelerated basis, the value of the benefit can be calculated by multiplying the number of Shares that Mr Testrow receives by the market price of Shares at that vesting time.

The Company is seeking this approval to assist it to meet its obligations to Mr Testrow and to provide the Company with flexibility to continue to remunerate executive Directors fairly and responsibly.

It should be noted that there is no current intention for Mr Testrow to vacate his role of Managing Director and Chief Executive Officer.

Shareholders should be aware that approval is not being sought for the purposes of the related party provisions contained in Chapter 2E of the Corporations Act, because the Board (other than Mr Testrow who is not able to make a recommendation due to his interest in this Resolution) considers that the issue of the Rights (and any Shares following the vesting of the Rights) pursuant to this Resolution 2 constitutes part of Mr Testrow's reasonable remuneration (and therefore falls within the exception set out in section 211 of the Corporations Act). In reaching this conclusion, the Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

The Directors (with Mr Testrow abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote undirected proxies in favour of Resolution 2.

**Resolution 3:
Adoption of the Remuneration Report**

The Corporations Act requires the Shareholders at the Company's Annual General Meeting to vote on an advisory resolution that the Remuneration Report be adopted.

The Remuneration Report is contained in the directors' report included in the Annual Report at pages 20 to 38.

The Remuneration Report details the Company's policy on remuneration and its relationship to company performance including incentive plans and remuneration structures for executive and non-executive Directors and other Key Management Personnel.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

At the 2018 Annual General Meeting (held on 15 November 2018), approximately 74% of Shareholder votes were in favour of the adoption of the 2018 Remuneration Report. As more than 25% of Shareholders votes were against the adoption of the 2018 Remuneration Report, the Company incurred a "first strike" pursuant to section 250R of the Corporations Act.

The Board took the "first strike" very seriously. Subsequent to the 2018 Annual General Meeting, the Board considered the concerns raised, predominantly by proxy advisor groups, in relation to the 2018 remuneration report and other related resolutions put to the 2018 Annual General Meeting. The Company's response to these concerns is set out in the Remuneration Report in the Annual Report (primarily at pages 23 and 24).

The vote on the adoption of the Remuneration Report is advisory only (save that, if a "second strike" is received, the Company is required to put Resolution 4 to Shareholders). However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company in the future.

The Chairman intends to vote undirected proxies in favour of Resolution 3.

**Resolution 4:
Conditional Spill Resolution**

This Resolution is a conditional resolution. If it is put to Shareholders and passed as an ordinary resolution, it will only become effective if 25% or more of the votes cast on Resolution 3 are against the Resolution to adopt the Remuneration Report (if the Company receives a "second strike").

If this Resolution is passed and becomes effective, then the Board must convene a Spill Meeting (being an extraordinary general meeting of Shareholders) to consider the composition of the Board within 90 days of the date on which Resolution 3 is passed. If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course.

If a Spill Meeting is held, the following non-executive Directors will cease to hold office immediately before the end of the Spill Meeting unless they stand for re-election and are re-elected at that meeting:

- (a) Peter Richards;
- (b) Peter Frank (subject to Mr Frank being re-elected pursuant to Resolution 1);
- (c) Keith Skinner; and
- (d) Darren Yeates.

If Mr Frank is re-elected pursuant to Resolution 1, he will still automatically need to be re-elected at the Spill Meeting to remain in office after the end of the Spill Meeting.

The Board recommends that Shareholders vote against Resolution 4 if it is put to the meeting.

The Chairman intends to vote undirected proxies against Resolution 4.

GLOSSARY OF DEFINED TERMS

The following terms and abbreviations used in these Explanatory Notes and Notice of Annual General Meeting have the following meanings:

Annual General Meeting means the annual general meeting of the Company to be held on Thursday, 14 November 2019 at 2.00pm (AEDT/Sydney time).

Annual Report means the Company's annual report comprising the financial report, the directors' report and the auditor's report for the financial year ended 30 June 2019 (a copy of which is available at <http://www.emecogroup.com/category/asx-announcements/>).

Board means the current board of Directors.

Chairman means the Chairman of the Annual General Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company or **Emeco** means Emeco Holdings Limited ABN 89 112 188 815.

Constitution means the Company's constitution, a copy of which is available at <http://www.emecogroup.com/investors-overview/corporate-governance/>.

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

Director means a director of the Company.

Explanatory Notes means the explanatory notes accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.

Notice or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Notes and the proxy form.

Remuneration Report means the remuneration report contained in the directors' report included in the Annual Report at pages 20 to 38.

Resolutions means the resolutions set out in the Notice of Annual General Meeting, and **Resolution** means any one of them.

Right means a right to a Share.

Share means an ordinary fully paid share in the Company.

Shareholder means the holder of one or more Shares.

Spill Meeting means an extraordinary general meeting to be convened in accordance with Resolution 4 (if required).

emecogroup.com

Head Office

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LODGE YOUR VOTE

 **ONLINE**
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 **BY MAIL**
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Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

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



X99999999999

PROXY FORM

I/We being a member(s) of Emeco Holdings 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 of the person or body corporate you are appointing as your proxy

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 **2:00pm (AEDT) on Thursday, 14 November 2019 at K&L Gates, Level 31, 1 O'Connell Street, Sydney, New South Wales** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 3 and 4: 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 Resolutions 2, 3 and 4, even though the Resolutions are 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 except Resolution 4 where undirected proxies will be voted against the resolution (if Resolution 4 is put to the meeting).

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*
1 Re-election of Mr Peter Frank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of the issue of Rights under the Emeco Hybrid Incentive Plan to Mr Ian Testrow, the Managing Director and Chief Executive Officer, for the 2019 financial year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important Note: The following resolution will only be put to the meeting if more than 25% of votes validly cast on Resolution 3 are cast against that Resolution.

	For	Against	Abstain*
4 Conditional Spill Resolution	<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.

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

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).

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 Resolutions are 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:

- (a) 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
- (b) 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.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (AEDT) on Tuesday, 12 November 2019**, 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

www.linkmarketservices.com.au

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) as shown on the front of the Proxy Form).



BY MAIL

Emeco Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**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.**