
NOTICE OF 2021 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 Rendezvous Hotel, 148 The Esplanade, Scarborough, Western Australia on Thursday, 18 November 2021 commencing at 9.30am (WST/Perth time). Registrations will commence at 9.00am (WST/Perth 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 2021 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 Richards

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

"That Mr Peter Richards, who retires as a Director by rotation in accordance with the Constitution, and being eligible, is elected as a Director."

Resolution 2: Re-election of Mr Peter Kane

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

"That Mr Peter Kane, who was appointed as a Director since the last annual general meeting of the Company and retires as a Director in accordance with the Constitution, and being eligible, is elected as a Director."

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 2021 be adopted."

The Remuneration Report forms part of the directors' report (included in the Annual Report at pages 23 to 38).

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

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 a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

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 3, 4 and 5".

**Resolution 4:
Approval of the issue of Rights under the Emeco Long Term Incentive Plan for the 2020 financial year, to Mr Ian Testrow, the Managing Director and Chief Executive Officer**

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 176,404 Rights to Mr Ian Testrow, the Managing Director and Chief Executive Officer of the Company, pursuant to the terms of the Emeco Long Term Incentive Plan for the 2020 financial year, 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 4 by or on behalf of Mr Testrow and any of his associates.

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

- (a) a person as a proxy or attorney for a person entitled to vote on Resolution 4, in accordance with a direction given to the proxy or attorney to vote on the resolution that way; or
- (b) by the Chairman as proxy or attorney for a person entitled to vote on Resolution 4, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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 Resolution 4; and
- (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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 3, 4 and 5".

**Resolution 5:
Approval of the issue of Rights under the Emeco Long Term Incentive Plan for the 2021 financial year, to Mr Ian Testrow, the Managing Director and Chief Executive Officer**

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 377,020 Rights to Mr Ian Testrow, the Managing Director and Chief Executive Officer of the Company, pursuant to the terms of the Emeco Long Term Incentive Plan for the 2021 financial year, 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 5 by or on behalf of Mr Testrow and any of his associates.

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

- (a) a person as a proxy or attorney for a person entitled to vote on Resolution 5, in accordance with a direction given to the proxy or attorney to vote on the resolution that way; or
- (b) by the Chairman as proxy or attorney for a person entitled to vote on Resolution 5, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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 Resolution 5; and
 - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chairman; and
- (d) the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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 3, 4 and 5".

INFORMATION FOR SHAREHOLDERS

Special arrangements in respect of COVID-19

The health and wellbeing of our Shareholders and employees is of paramount importance. In light of the ongoing COVID-19 pandemic, modified arrangements will apply to this year's Annual General Meeting.

As COVID-19 restrictions in Western Australia currently permit indoor gatherings, the Company proposes to hold an in-person Annual General Meeting. A recording of the Annual General Meeting will be made available following the meeting on the Company's website at <https://www.emecogroup.com/category/investor-presentations/>. The meeting results will be uploaded to the ASX platform at <https://www.asx.com.au>.

However, due to interstate travel restrictions, it is currently intended that the Managing Director, the Company Secretary and the executives will attend the Annual General Meeting in person but other Directors (including the Chairman) will participate in the meeting via audio-visual conferencing facilities.

If COVID-19 restrictions in Western Australia change prior to the Annual General Meeting, the Company will advise via an ASX announcement as to any changes to how the meeting will be held and whether Shareholders will still be able to attend in person and participate in the usual way.

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 2021 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 5.00pm (WST/Perth time) on Tuesday, 16 November 2021. 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, Level 12, 680 George Street, Sydney NSW 2000.

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 9.30am (WST/Perth time) on Tuesday, 16 November 2021, 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 9.30am (Perth time) on Tuesday, 16 November 2021 unless it has previously been provided to Link Market Services Limited or the Company.

A personalised proxy form has been sent to shareholders. 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, 4 and 5.

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 3, 4 and 5, Shareholders should also refer to the important additional information below under the heading "Important information concerning proxy votes on Resolutions 3, 4 and 5".

Important information concerning proxy votes on Resolutions 3, 4 and 5

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 2021. "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 3, 4 and 5 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 3, 4 and 5.

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 3, 4 and 5 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 3, 4 and 5 on the proxy form, you will be deemed to have expressly authorised the Chairman to vote your proxy in **favour** of Resolutions 3, 4 and 5. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolutions 3, 4 and 5 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 Resolutions 3, 4 and 5 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
18 October 2021

EXPLANATORY NOTES

1. Consideration of reports

The Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2021 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 9.30am (WST/Perth time) on Thursday, 11 November 2021, 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 Richards'

Information on Mr Richards' experience

Appointment: Mr Richards was appointed as an Independent Non-Executive Director on 14 June 2010 and elected into the same office at the 2010, 2013, 2016 and 2018 annual general meetings. Mr Richards was appointed as Chair of the Emeco board on 1 January 2016. Mr Richards retires by rotation at this Annual General Meeting and offers himself for re-election.

Board committee membership: Chair of the remuneration and nomination committee and member of the audit and risk management committee.

Skills and experience: Mr Richards has over 40 years of international business experience with global and regional companies including British Petroleum (including its mining arm Seltrust Holdings), Wesfarmers Limited, Dyno Nobel Limited and Norfolk Holdings Limited. During his time at Dyno Nobel, he held a number of senior positions with the North American and Asia Pacific business, before being appointed as Chief Executive Officer in Australia (2005 to 2008).

Current appointments:

- Chairman of Elmore Limited (previously IndiOre Limited and NSL Consolidated Limited) since 2018 (Non-Executive Director 2009 to 2014; previously Chairman 2014 to 2017).
- Chairman of Graincorp Limited since March 2020 (Non-Executive since 2015).
- Non-Executive Chairman of Cirralto Limited since December 2017.

The Board considers Mr Richards to be an independent director.

The Directors (with Mr Richards abstaining) unanimously recommend that Shareholders vote in favour of Resolution 1. The Board considers that Mr Richards continues to make a valuable contribution to the Board, playing a pivotal role in the Company's leadership. Mr Richards has a deep understanding of the Emeco Group and its operating environment, as well as extensive experience in commerce and business strategy. 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:

Re-election of Mr Peter Kane

Information on Mr Kane's experience

Appointment: Mr Kane was appointed as a Director on 7 December 2020 to fill a casual vacancy, following the resignation of Darren Yeates as a Director in November 2020. Mr Kane has been an independent non-executive director since that time and brings substantial mining-related experience to the board.

In accordance with the Constitution, as Mr Kane was appointed after the last annual general meeting, Mr Kane retires at this Annual General Meeting and offers himself for re-election.

Board committee membership: Member of the remuneration and nomination committee and member of the audit and risk management committee.

Skills and experience: Peter is a Mining Engineer with over 30 years' experience in the mining industry throughout Australia, New Zealand and Mongolia. Peter is currently the Chief Operating Officer of the QCoal Group where he is responsible for site operations. Prior to QCoal, Peter held roles as the Chief Executive Officer at Cockatoo Coal, Group Managing Director at Guildford Coal, Chief Executive Officer at Aston Resources, and Chief Executive Officer at Boardwalk Resources, Executive General Manager Projects with Whitehaven Coal and Chief Operating Officer with Macarthur Coal. Peter also performed the role of Joint Venture Chair for multiple operations with numerous joint venture partners. Peter's earlier career included 10 years for Leighton in various roles including General Manager of the Australian mining contractor business and 10 years with BHP, primarily in their iron ore and, later, coal divisions.

Peter is a member of the Australasian Institute of Mining & Metallurgy and a graduate of the Australian Institute of Company Directors.

Current appointments:

- Chief Operating Officer at QCoal Group (since 2016).
- Board member of Australian Coal Research Limited (since 2017).

The Board considers Mr Kane to be an independent director.

The Board undertakes comprehensive background checks before appointing a new director and confirms that those checks did not reveal any information of concern.

The Directors (with Mr Kane abstaining) unanimously recommend that Shareholders vote in favour of Resolution 2. The Directors consider that Mr Kane's substantial mining-related experience complements the Board's existing skills and experience. Each of the Directors holding Shares in the Company intends to 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 23 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.

Resolutions 4 and 5:

Approval of the issue of Rights under the Emeco Long Term Incentive Plan for the 2020 financial year and the 2021 financial year, to Mr Ian Testrow, the Managing Director and Chief Executive Officer

Resolutions 4 and 5 seek Shareholder approval for the issue of the following Rights to fully paid ordinary Emeco shares to Mr Ian Testrow, the Managing Director and Chief Executive Officer:

- (a) 176,404 Rights under the under the terms of the Emeco Long Term Incentive Plan for the 2020 financial year (**FY20 LTI plan**); and

- (b) 377,020 Rights under the under the terms of the Emeco Long Term Incentive Plan for the 2021 financial year (**FY21 LTI plan**).

The proposed issues relate to the long-term incentive component of Mr Testrow's remuneration for the 2020 financial year (in the form of the FY20 LTI plan) and 2021 financial year (in the form of the FY21 plan). Each Right represents a potential entitlement to one fully paid ordinary Emeco share.

The FY20 LTI plan and FY21 LTI plan are equity incentives that reward executives for their contribution to achievement of specified performance criteria (**KPIs**) over a three-year period. KPIs are reviewed annually, and achievement is assessed each year over the three-year period with one-third of the maximum entitlement being tested each year. Each plan therefore has three tranches, which together form the long-term component of the executive's remuneration package for the relevant financial year.

By assessing outcomes in this manner, consistent high performance over each year over the three-year performance period is required in order to achieve maximum award.

Details of the LTI plans and their operation are set out in the Remuneration Report and a copy of the employee incentive plan rules are available at <http://www.emecogroup.com/investors-overview/corporate-governance/>.

If Shareholder approval is not obtained, the Rights will not be granted and the Board may negotiate alternative arrangements with Mr Testrow.

Grant of Rights

Under each of the LTI plans, the value of Mr Testrow's maximum equity settled incentive opportunity is 120% of his fixed annual remuneration (determined using the volume weighted average share price of \$1.83 in respect of the FY20 LTI plan and \$1.02 in respect of the FY21 LTI plan) over the three-year performance period, subject to KPIs being met.

A maximum of one third of that maximum entitlement under each plan was available to be earned in FY21 (being year 2 of the FY20 LTI plan and year 1 of the FY21 LTI plan).

As noted in the Annual Report, the Board set a single KPI to apply to both year 2 of the FY20 LTI plan and year 1 of the FY21 LTI plan – being to create additional growth avenues for the business and to create a more sustainable and resilient business through the cycle, reflecting a focus on achieving the Company's broader strategic aims and ensuring a strong foundation for the Company's growth. The Board assessed the Company's performance having regard to the aims of diversifying the Group's commodity mix, improving average project tenure, building out the contracted pipeline and enhancing the Group's value proposition by providing customers with a wider suite of services. The Board reviewed and assessed achievement against the KPI for year 2 of the FY20 LTI plan and year 1 of the FY21 LTI plan at 95% having regard to the above factors. Therefore, Mr Testrow was entitled to receive:

- (a) 176,404 Rights in respect of year 2 of the FY20 LTI plan; and
- (b) 377,020 Rights in respect of year 1 of the FY21 LTI plan.

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 and are converted into Shares in accordance with their terms.

Vesting of Rights

The Rights will vest after announcement of Emeco's annual results in 2022 (for Rights issued pursuant to Resolution 4) or 2023 (for Rights issued pursuant to Resolution 5), unless Mr Testrow leaves Emeco earlier. The Company notes Mr Testrow has not indicated any intention to leave Emeco.

If Emeco terminates Mr Testrow's employment for misconduct or other breach of employment contract, the Board may, in its absolute discretion, determine that all or part of the Rights issued to him under the FY20 LTI plan and FY21 LTI plan will lapse.

If Mr Testrow leaves the Emeco Group for any other reason, Rights that have been tested and issued under the FY20 LTI plan and FY21 LTI plan will immediately vest and must be exercised into Shares within 2 weeks from vesting. Mr Testrow will have no entitlement to untested awards.

Vested Rights may be converted into Shares at time within 2 years from the vesting date. Rights do not carry voting rights or an entitlement to dividends.

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:

- (a) Rights will be issued to Mr Ian Testrow, who is a Director of the Company.
- (b) It is proposed to issue Mr Testrow 176,404 Rights pursuant to Resolution 4 and 377,020 Rights pursuant to Resolution 5. On conversion of the Rights, Mr Testrow will receive one Share for each Right.
- (c) Details of the current annual remuneration structure for Mr Testrow are as follows:

Total fixed remuneration (including superannuation) (TFR)	\$1,012,000
Short-term incentive	Maximum of 80% of TFR
Long term incentive	Maximum of 120% of TFR

Please refer to the Remuneration Report for full details of Mr Testrow’s remuneration.

- (d) 157,836 Rights were issued to Mr Testrow for no cash consideration under year 1 of the FY20 LTI plan, following receipt of shareholder approval at the 2020 annual general meeting. No securities have previously been issued to Mr Testrow under the FY21 LTI plan. Details of securities issued to Mr Testrow under

previous incentive plans are set out in the Company’s annual reports.

- (e) A summary of the material terms of the Rights is set out above. The Company considers Rights are an effective mechanism to align the interests of executives with the interests of shareholders, by assessing the achievement of Company KPIs over a three-year performance period. As each Right may convert into one Share, the actual value of the Rights will be the market price of the equivalent number of Shares at the time that the Rights vest.
- (f) If approved, the Rights will be issued following the Annual General Meeting and no later than 3 years after the date of this Annual General Meeting.
- (g) 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 and conversion of the Rights, Mr Testrow will receive the Shares at no cost to Mr Testrow.
- (h) A summary of the material terms of the FY20 LTI plan and FY21 LTI plan are set out above.
- (i) No loans will be provided by the Company in connection with the award.
- (j) Details of any securities awarded under the LTI plan will be published in the Company’s Annual Report relating to the period in which they were awarded, along with a statement that approval for the award was obtained under ASX Listing Rule 10.14.
- (k) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an award of securities under the LTI plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until shareholder approval is obtained under ASX Listing Rule 10.14.
- (l) A voting exclusion statement is set out under Resolutions 4 and 5 in the Notice of 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 Resolutions 4 and 5 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 FY20 LTI plan and FY21 LTI plan, the Rights will vest prior to the vesting date (being the date following the release of the full year results in 2022 and 2023 respectively) if Mr Testrow leaves the Emeco Group in the circumstances described above.

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 176,404 Rights (the subject of Resolution 4) and 377,020 Rights (the subject of Resolution 5), 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 Resolutions 4 and 5 constitute 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 Resolutions 4 and 5.

The Chairman intends to vote undirected proxies in favour of Resolutions 4 and 5.

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, 18 November 2021 at 9.30am (WST/Perth 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 2021 (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 23 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.

emecogroup.com

Head Office

Level 3
71 Walters Drive
Osborne Park WA 6017
Australia

T +61 (0) 8 9420 0222
E corporate@emecogroup.com

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **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**
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1800 689 300 (free call within Australia)



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 **9:30am (WST/Perth time) on Thursday, 18 November 2021 at Rendezvous Hotel Perth Scarborough, 148 The Esplanade, Scarborough, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4 and 5: 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 3, 4 and 5, 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.

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*
1 Re-election of Mr Peter Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of the issue of Rights under the Emeco Long Term Incentive Plan for the 2021 financial year, to Mr Ian Testrow, the Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Peter Kane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the issue of Rights under the Emeco Long Term Incentive Plan for the 2020 financial year, to Mr Ian Testrow, the Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<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:

- 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.

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 **9:30am (WST/Perth time) on Tuesday, 16 November 2021**, 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 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 www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



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



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*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions



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.**