



GR ENGINEERING SERVICES LIMITED

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 25 November 2020

Time of Meeting

11:00am

Place of Meeting

Virtual Online Platform

Meeting URL: <https://web.lumiagm.com/366463066>

Lumi AGM app also available from Apple App Store or Google Play Store

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified directions.

GR Engineering Services Ltd

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of GR Engineering Services Limited ABN 12 121 542 738 ("Company") will be held at 11:00am (AWST) on Wednesday, 25 November 2020, for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2020, together with the Directors' report and the auditor's report as set out in the Annual Report.

1. Resolution 1 - Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That the remuneration report as set out in the Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (c) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (d) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 - Re-election of Barry Patterson as a Director

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

"That, Barry Patterson, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

3. Resolution 3 - Issue of Share Appreciation Rights to Geoff Jones

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

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue:

- (a) 610,000 Class H Share Appreciation Rights vesting on 1 July 2021 with an Initial Market Value of \$0.75 and a minimum required share price of \$1.25 at vesting;
- (b) 478,432 Class I Share Appreciation Rights vesting on 1 July 2022 with an Initial Market Value of \$0.75 and a minimum required share price of \$1.39 at vesting; and
- (c) 386,015 Class J Share Appreciation Rights vesting on 1 July 2022 with an Initial Market Value of \$0.75 and a minimum required share price of \$1.54 at vesting,

for no consideration to the Company's Managing Director, Mr Geoff Jones (or his nominee(s)), on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who

is eligible to participate in the Plan (including Mr Geoff Jones), or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution 3, in accordance with the directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a Shareholder acting solely in a nominee, trustee, custodian or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on this Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with the directions given by the beneficiary to the Shareholder to vote in that way.

A vote on this Resolution 3 must not be cast (in any capacity) by or on behalf of Mr Geoff Jones or any of his associates.

However, subject to the voting exclusion above and the further voting prohibition below, this does not prevent the casting of a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution; and
- (b) it is not cast on behalf of Mr Geoff Jones or any of his associates.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

4. Resolution 4 - Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX

Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Geoff Jones
Managing Director

Dated: 23 October 2020

Venue

The Annual General Meeting of the Shareholders will be held at 11:00am (WST) on Wednesday, 25 November 2020.

Due to the COVID-19 pandemic, the Board has decided, in the interests of the health and safety of our Shareholders and staff, to hold the Meeting virtually. Accordingly, Shareholders will not be able to physically attend the Meeting.

Participating in the Meeting

Shareholders can participate in the Meeting online using one of the following methods:

- Via the following URL:
<https://web.lumiagm.com/>
- From their mobile device by using the Lumi AGM app, available from the Apple App Store or Google Play Store.

The Lumi online platform allows Shareholders to listen to the Meeting, vote and ask questions online in real time. Visitors to the Meeting will be able to listen to the proceedings via the Lumi online platform but will not have access to vote or ask questions.

Shareholders can submit questions in relation to the business of the Meeting and vote on the resolutions in real time during the Meeting via the Lumi online platform.

Shareholders, proxies and attorneys participating in the Meeting using the Lumi online platform will be able to vote between the commencement of the Meeting and the closure of voting as announced by the Chair during the Meeting.

By participating in the Meeting online you will be able to:

- hear and view the Meeting slides;
- submit questions at the appropriate time whilst the Meeting is in progress; and
- vote during the Meeting.

Instructions on how to log on to ask questions during the Meeting are outlined below.

If you choose to participate in the Meeting online, registration will open at 10:30am (WST) on Wednesday, 25 November 2020 (30 minutes prior to the start of the Meeting).

Shareholders will need the following information to participate in the Meeting in real-time:

- **Meeting ID:** 366463066;
- **Username:** Your SRN/ HIN; and
- **Password:** If your holding is registered to an Australian address, your password is your postcode. If your holding is registered to an overseas address your password is the three character country code as set out in the Lumi guide.

Further information regarding participating in the Meeting online, including browser requirements, is detailed in the AGM Online Meeting Guide annexed to this Notice.

Please note, only Shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the Meeting.

Shareholders are therefore encouraged to lodge questions prior to the Meeting by emailing their question to gres@gres.com.au by no later than 11:00am (WST) on Friday, 20 November 2020.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 4:00pm (WST) on Monday, 23 November 2020.

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

Voting in Person

All voting will be done via the Lumi online meeting platform. A Shareholder attending online will be taken to be present at the Meeting and will be entitled to exercise all rights which the Shareholder is granted under the constitution of the Company or the Corporations Act. Voting at the Annual General Meeting in respect of each of the Resolutions will be conducted by way of a poll as outlined in the Virtual Meeting Guide.

Voting by Proxy

The Company encourages all Shareholders to submit a proxy vote ahead of the Meeting. To vote by proxy, please complete and sign the enclosed Proxy Form.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 4:00pm (WST) on Monday, 23 November 2020. Any proxy form received after that time will not be valid for the scheduled meeting:

Online

www.investorvote.com.au

By mail

Share Registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001

By fax

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile

Scan the QR Code on your proxy form and follow the prompts.

Custodian

For Intermediary Online subscribers only

(custodians) please visit intermediaryonline.com to submit your voting intentions.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-Chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of GR Engineering Services Limited ("GR Engineering" or the "Company").

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2020 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

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

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the auditor or their representative to answer any written questions submitted to the auditor under section 250PA of the Corporations Act.

RESOLUTION 1 - NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the remuneration report as disclosed in the Company's 2020 Annual Report be adopted.

The remuneration report is set out in the Company's 2020 Annual Report and is also available on the Company's website (www.gres.com.au).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the remuneration report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 28 November 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the remuneration report it will not result in the Company putting a Spill Resolution to Shareholders. However, a Spill Resolution will be required if the remuneration report at the 2021 annual general meeting receives a vote of more than 25% against its adoption.

The remuneration report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the remuneration report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 - RE-ELECTION OF BARRY PATTERSON AS A DIRECTOR

Clause 13.2 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors (excluding any alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then such number as is appropriate to ensure no Director holds office for more than 3 years, shall retire from office. A retiring Director is eligible for re-election.

Pursuant to Clause 13.2 of the Company's Constitution, Mr Barry Patterson retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Patterson joined the Board in February 2011. He is a Mining Engineer with over 50 years' experience in the mining industry and is a co-founder of GR Engineering. He also co-founded contract mining companies Eltin, Australian Mine Management and National Mine Management. Barry was also a co-founder of JR Engineering. Barry has served as a director of a number of public companies across a range of industries. He was formerly a non-executive chairman of Sonic Healthcare Limited and Silex Systems Limited and a non-executive director of Dacian Gold Limited.

The Directors consider that Mr Patterson, if re-elected, will continue to qualify as an independent Director and support the re-election of Mr Patterson and recommend shareholders vote in favour of this resolution.

RESOLUTION 3 - ISSUE OF SHARE APPRECIATION RIGHTS TO GEOFF JONES

Background to Resolution 3

Resolution 3 seeks approval for the issues of Share Appreciation Rights to the Company's Managing Director, Mr Geoff Jones (or his nominee(s)) pursuant to the GR Engineering Services Limited 2019 Equity Incentive Plan (Plan).

Share appreciation rights are rights to receive a future issue of payment in shares, equal to the amount of the increase in market value of shares in a specified period between the grant of the right and the exercise of that right.

The key terms of the Share Appreciation Rights proposed to be granted pursuant to Resolution 3 are set out in the table below:

Class	Number	Vesting Date	Vesting Conditions
H	610,000	01/07/21	- Mr Jones being employed as Managing Director on Vesting Date - Share price is at least \$1.25 on Vesting Date
I	478,432	01/07/22	- Mr Jones being employed as Managing Director on Vesting Date - Share price is at least \$1.39 on Vesting Date
J	386,015	01/07/23	- Mr Jones being employed as Managing Director on Vesting Date - Share price is at least \$1.54 on Vesting Date

Since 2012, Mr Jones, as the Company's Managing Director, has been issued with Share Appreciation Rights under separate long term incentive plans previously adopted by the Company in 2012 and 2015.

The Board considers that Share Appreciation Rights have been a suitable basis for providing long term incentive based remuneration to the Company's Managing Director and is of the view that it is in the interests of Shareholders for Mr Jones to continue to participate in a long term equity related plan which is aligned with Shareholder value creation.

More broadly, Share Appreciation Rights have been recommended by the Company as a long term incentive instrument for reasons including:

- Share Appreciation Rights provide greater alignment with share price growth than other forms of deferred share grants (i.e. Performance Rights);
- the value of Share Appreciation Rights may, at the determination of the Board, be delivered by way of cash;
- Share Appreciation Rights have value only if the share price has increased; and
- Share Appreciation Rights will only vest in circumstances where the market value of Shares at vesting has exceeded the share price prescribed in the

associated vesting criteria for each class of Share Appreciation Rights.

Accordingly, the Company proposes to grant Share Appreciation Rights to Geoff Jones (or his nominee(s)) to establish long term equity based incentives for the financial years ending 30 June 2021, 30 June 2022 and 30 June 2023, with performance and service based Vesting Conditions consistent with those Share Appreciation Rights granted to Mr Jones to date.

Summary of the Plan

The key terms of the Plan are set out below. Capitalised terms in this section that are not defined in this Notice have the meaning given to them in clause 1.1 of the Plan Rules.

- (a) **Eligibility:** The Board may from time to time, invite eligible employees, directors and contractors of the Company (or its associated bodies corporate), to be eligible to receive Incentive Securities under the Plan (Eligible Employees).
- (b) **Offers:** The Board may, from time to time, at its absolute discretion, determine the number and value of any Incentive Securities to be granted under the Plan. Without limiting its discretion, the Board may also determine the vesting conditions, the performance hurdles, the exercise conditions and any other terms applicable to a particular grant of Incentive Securities in an offer made to an Eligible Employee.
- (c) **Rights of Incentive Security holders:** Incentive Securities do not entitle the holder to notice of, or to vote or attend at, a meeting of Shareholders, or, receive any dividends declared by the Company.
- (d) **Transferability:** Incentive Securities may not be assigned, transferred, encumbered, or otherwise disposed of unless that assignment or transfer occurs by force of law upon the death of the holder to the holder's legal representative.
- (e) **Incentive Securities:** Awards of both "Performance Rights" and/or "Share Appreciation Rights" may be made to Eligible Employees under the Plan.
- (f) **Performance Right:** a Performance Right is an entitlement to be issued or transferred (as determined by the Board) one Share on exercise of the Performance Right, subject to the satisfaction of any vesting conditions, performance hurdles and/or exercise conditions.

- (g) **Share Appreciation Right:** a Share Appreciation Right is a right to be issued or transferred (as determined by the Board) that number of Shares on exercise of the Share Appreciation Right (rounded down to the nearest whole Share) calculated as follows:

Quantity of Shares to be issued/transferred on exercise =

*Quantity of exercised Share Appreciation Rights x
(Subsequent Market Value – Initial Market Value)*

Subsequent Market Value

Where:

Initial Market Value means the Market Value of Share as at the grant date of a Share Appreciation Right (or another date determined by the Board and specified in the offer (plus a premium if applicable and specified in the offer));

Subsequent Market Value means the Market Value of a Share as at the date of exercise of a Share Appreciation Right; and

Market Value means the volume weighted average price of the Shares over a 5 day period, or otherwise as determined by the Board.

- (h) **Vesting Conditions / Performance Hurdles / Exercise Conditions:** The Incentive Securities will be subject to the vesting conditions, performance hurdles and exercise conditions as determined by the Board at the time of grant. In certain circumstances, the Board may in its discretion determine that any unvested Incentive Securities will become vested and may be exercised in any period, whether or not any or all of the applicable vesting conditions and exercise conditions have been satisfied, including if an Eligible Employee becomes a good leaver (for example, ceases to be an executive director or employee due to death or incapacity) or there is a change of control of the Company. The Board may, in its discretion and as an alternative to issuing Shares upon the vesting of Incentive Securities, pay a cash amount of equivalent value to the Eligible Employee.
- (i) **Exercise and issue/transfer of Shares:** An Incentive Security may only be exercised by a holder following vesting of that Incentive Security. An offer must specify whether an Incentive Security will either be deemed to automatically have been exercised by the holder on vesting or whether the holder must manually exercise the Incentive Security by delivering a notice of exercise to the Company within a period specified in the offer.
- (j) **Shares:** Any Shares allotted and issued, or transferred, to an Eligible Employee following the exercise of an Incentive Security (Plan Share) will rank equally with all existing Shares on and from the

date of issue or transfer, subject to any disposal restrictions notified at the time of the offer of the Incentive Security. Shares, or any beneficial or legal interest in Plan Shares, may not be transferred, encumbered or otherwise disposed of unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

- (k) **Forfeiture:** Unless otherwise determined by the Board, an Eligible Employee's Incentive Securities will generally be forfeited in the circumstances set out in the Plan Rules, and include where:
- (i) an Eligible Employee's employment or office or engagement with the Company (or an associated body corporate of the Company) ceases, unless the Board has determined that the leaver may retain their Incentive Securities. For example, where the leaver has ceased employment or office with the Company due to becoming a good leaver (e.g. due to death or incapacity), the Board may determine that Eligible Employee may retain their Incentive Securities;
 - (ii) the relevant vesting conditions, performance hurdles or exercise conditions are not satisfied or cannot be satisfied by the relevant expiry date of the Incentive Securities;
 - (iii) an Eligible Employee acts fraudulently or dishonestly or in breach of his or her obligations to the Company; or
 - (iv) an Eligible Employee becomes insolvent.
- (l) **Change of control:** If a change of control event occurs, which is defined in the rules of the Plan, the Board may in its absolute discretion determine the manner in which all vested and unvested Incentive Securities are dealt with (including without limitation in a manner that allows the Eligible Employee to benefit from the change of control event).
- (m) **Amendment:** The Board has the ability to amend the rules of the Plan at any time, including with retrospective effect, except that any amendments which affect an Eligible Employee's existing entitlements or obligations require an Eligible Employee's consent unless the amendment is primarily necessitated to ensure compliance with the Constitution or laws or to correct manifest errors or for other limited reasons set out in the Plan rules.

The Plan Rules are available on the Company's website at www.gres.com.au.

Vesting Conditions and Shares issued upon vesting

If the respective Vesting Conditions of each Class are met on the relevant Vesting Dates, Mr Jones or his nominee(s) will be granted with a number of Shares determined as follows:

$$\text{Number of Shares} = (\text{Share price at Vesting Date} - \text{Initial Market Value}) \times \text{number of Share Appreciation Rights} / \text{Share price at Vesting Date}$$

The Initial Market Price for Class H, Class I and Class J Share Appreciation Rights is \$0.75, which is the price of the Company's shares trading on ASX on 30 June 2020. This was determined by the Board and the Company's remuneration committee to be an appropriate base on which to assess Mr Jones' contribution to Share price performance.

As an example of the number of Shares Mr Jones may be entitled to have issued to him (or his nominee(s)) upon vesting of Share Appreciation Rights, in respect of the Class H Share Appreciation Rights, if the Share price is exactly \$1.25 on 1 July 2021, Mr Jones or his nominee(s) will be entitled to 244,000 Shares, calculated as follows:

$$(\text{Share price at Vesting Date } (\$1.25) - \text{Initial Market Value } (\$0.75)) \times \text{number of Share Appreciation Rights } (610,000) / \text{Share price at Vesting Date } (\$1.25) = 244,000 \text{ Shares}$$

Using the example above, if the Share price is less than \$1.25 on 1 July 2021, the Class H Share Appreciation Rights will not vest and will lapse in accordance with their terms.

Therefore, provided the minimum Share price is achieved on the Vesting Date, the higher the Share price is at the Vesting Date, the more Shares Mr Jones (or his nominee(s)) will be entitled to receive.

The Share Appreciation Rights will be granted under the Plan on the terms and conditions set out in the Plan.

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

Mr Jones is a Director and is therefore a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

Resolution 3 relates to the proposed grant of Share Appreciation Rights to Mr Jones or his nominee(s), which

is a financial benefit that requires shareholder approval for the purposes of section 208 of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolutions would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, the Share Appreciation Rights will be granted to Mr Jones or his nominee(s).

The proposed financial benefit to be given is the grant of Share Appreciation Rights for no consideration to Mr Jones.

The details of the financial benefit including reasons for giving, the type and quantity of the benefit

The grant of Share Appreciation Rights encourages Mr Jones to have a greater involvement in the achievement of the Company's objectives and provides an incentive for him to drive the Company's growth and Share price by enabling him to participate in the future growth and prosperity of the Company through Share ownership. In the Company's current circumstances, the Directors (in the absence of Mr Jones) consider that the incentives intended for Mr Jones represented by the grant of the Share Appreciation Rights are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The quantum and the terms of the Share Appreciation Rights proposed to be granted to Mr Jones has been determined after consideration of the following:

- (a) that the Share Appreciation Rights will provide an incentive to Mr Jones to deliver operational performance and align his interests to those of Shareholders;
- (b) the determination of the Initial Market Price for Class H, Class I and Class J Share Appreciation Rights is \$0.75, which is the price of the Company's shares trading on ASX on 30 June 2020. This was determined by the Board and the Company's remuneration committee to be an appropriate base on which to assess Mr Jones' contribution to Share price performance; and
- (c) the determination of the two Vesting Conditions for each Class of Share Appreciation Rights, being that:
 - (i) Mr Jones is employed as Managing Director at the Vesting Date for that Class. The Board considers the retention of Mr Jones in this capacity to be important to the Company's

ongoing success; and

- (ii) the Share price is at least the applicable minimum specified price on the Vesting Date (Class H: \$1.25, Class I: \$1.39, Class J: \$1.54). The Company's remuneration committee considered that this was a reasonable basis for determining the specified minimum price to establish a vesting point, as it reflects a sustainable base to assess the achievement of annual Share price gains over a 3 year period.

Mr Jones' Current Holdings

As at the date of this Notice, Mr Jones has a relevant interest in 772,134 Shares.

Dilution effect of grant of Share Appreciation Rights on existing members' interests

If passed, Resolution 3 will give the Directors power to grant a total of 1,474,447 Share Appreciation Rights on the terms and conditions set out in the Plan Rules and as otherwise mentioned above in this Explanatory Memorandum.

The Company currently has 155,153,189 Shares and the following other equity securities on issue:

Number	Vesting Date
<i>Performance Rights</i>	
60,000	14 June 2021
50,000	16 July 2022
4,670,000	14 September 2023

The number of Shares which will be issued on exercise of the Share Appreciation Rights the subject of Resolution 3 will be determined in accordance with the Plan Rules as a function of the Share price on the Vesting Date. Assuming:

- the Share price of the Company on the Vesting Dates for each class of Share Appreciation Rights is exactly the minimum price required for that Class of Share Appreciation Rights to vest (for example, for the Class H Share Appreciation Rights, the Share price is \$1.25 on 1 July 2021); and
- all existing Performance Rights on issue vest,

the effect of the issue of Shares upon vesting of the Share Appreciation Rights would be to dilute the shareholding of existing Shareholders by 0.4%.

Mr Jones' total remuneration package

Mr Jones' fees per annum (including superannuation and other equity based payments) and the total financial benefit to be received by him in this current period, being

the financial year ending 30 June 2021, as a result of the grant of the Share Appreciation Rights the subject of Resolution 3, is as follows:

Fees (per annum) ¹	Value of Share Appreciation Rights	Total Remuneration
\$600,000	\$247,087	\$847,087

1. Includes cash salary and superannuation.

The value of \$247,087 ascribed to the Share Appreciation Rights is a theoretical valuation using the binomial option pricing model, adjusted for the barrier price.

Valuation of Share Appreciation Rights

For valuation purposes, the Share Appreciation Rights behave similarly to a barrier option, with the Initial Market Value being akin to an exercise price. A barrier option is similar to a normal vanilla option except the option does not vest until the share price hurdle (or barrier) is met. In the case of the Share Appreciation Rights, the barrier is tested at the Vesting Date. The valuation of a barrier option has been performed using a form of binomial option pricing model, adjusted for the barrier price.

Based on the assumptions noted above, it is considered that the estimated average value of each Class of the Share Appreciation Rights to be granted to Mr Jones is as follows:

Class	Value
H	\$96,380
I	\$82,769
J	\$67,939

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 20 October 2020 (being the latest date practicable for inclusion prior to the dispatch of the Notice):

Highest Price (\$)/Date	Lowest Price (\$)/Date	Latest Price (\$)/Date
\$1.20 5/10/20	\$0.64 01/05/20 13/05/20 15/05/20	\$1.075 20/10/20

Other Information

Under the Australian Equivalent of the International Financial Reporting Standards (IFRS), the Company is required to expense the value of the Share Appreciation

Rights in its statement of financial performance for the current financial year.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Share Appreciation Rights pursuant to Resolution 3.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 3.

Directors' recommendation

All the Directors were available to make a recommendation.

Messrs Lockyer, Hood, Patrizi, Patterson and Totaro (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3. The Board approved the proposal to put Resolution 3 to Shareholders and recommend that Shareholders vote in favour of Resolution 3 for the reasons set out in this Explanatory Memorandum to Resolution 3. The Board is also of the opinion that the grant of Share Appreciation Rights is not excessive or unusual for an executive of the calibre of Mr Jones.

Mr Jones abstained from any deliberation and voting in relation to Resolution 3 and declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Share Appreciation Rights to him or his nominee(s).

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Share Appreciation Rights under the Plan to Mr Jones.

The following information is provided to Shareholders in relation to Resolution 3 for the purposes of Listing Rule 10.15:

- the Share Appreciation Rights will be granted to Mr Jones, the Managing Director of the Company, or his nominees(s);
- the issue of the Share Appreciation Rights falls within Listing Rule 10.14.1 as Mr Jones is the Managing Director of the Company;
- the maximum number of Share Appreciation Rights to be granted is 1,474,447;

- (d) details of Mr Jones' current remuneration package follow:
 - (i) Cash salary (including superannuation): \$600,000;
 - (ii) The ability to receive Share Appreciation Rights, subject to this Resolution 3 being passed by Shareholders, valued at \$247,087.
- (e) no securities have previously been issued to Mr Jones under the Plan;
- (f) details of the material terms of the Share Appreciation Rights, an explanation of why they have been used, the value the Company attributes to the Share Appreciation Rights and the basis for that valuation are contained in the explanatory memorandum to Resolution 3 under the headings "Background to Resolution 3", "Summary of the Plan" and "Information Requirements - Chapter 2E of the Corporations Act";
- (g) if Shareholders pass Resolution 3, the Share Appreciation Rights will be issued to Mr Geoff Jones (or his nominee(s)) as soon as practicable after the date of the Meeting and in any event within 3 years of the Meeting. It is anticipated that all the Share Appreciation Rights will be issued on the same date;
- (h) the Share Appreciation Rights will be granted for no consideration;
- (i) the material terms of the Plan are summarised in the explanatory memorandum to Resolution 3 under the heading "Summary of the Plan";
- (j) there are no loans being made in relation to the acquisition of the Share Appreciation Rights;
- (k) details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtaining under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 3 is approved and who are not named in the Notice will not participate until approval is obtained under that rule; and
- (l) a voting exclusion statement in relation to Resolution 3 is included in the Notice.

If approval is given for the grant of the Share Appreciation Rights under Listing Rule 10.14, approval is not required under Listing Rule 7.1. If such approval is obtained, the Company will proceed in the manner set out in item (g) above to issue the Share Appreciation Rights

If approval is not given for the grant of Share Appreciation Rights, no Share Appreciation Rights will be issued.

Voting

Note that a voting exclusion applies to Resolution 3 in the terms set out in the Notice of Meeting. In particular, the Directors and their Associates may not vote on this Resolution. Further, a Restricted Voter may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

RESOLUTION 4 - ADDITIONAL 10% PLACEMENT CAPACITY

Listing Rule 7.1A enables an Eligible Entity to seek approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity (**10% Placement Capacity**).

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and had a market capitalisation at the close of business on 20 October 2020 of \$166,789,678 based on a share price of \$1.075.

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the Meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being fully paid ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

(A x D) – E

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
- (d) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to issue equity securities up to a combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

Technical information required by ASX Listing Rule 7.1A

In accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities (**Agreed Issue Date**); or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the Agreed Issue Date, the date on which the Equity Securities are issued.

(b) Date of issue

The 7.1A mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(c) Risk of dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of Shareholders who do not receive Equity Securities under the issue.

The table below seeks to demonstrate the potential dilution of existing Shareholders resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in Listing Rule 7.1A.2. The table does this by setting out the potential number of Shares issued and funds raised on the basis of:

- (i) the current number of Shares on issue;
- (ii) the number of Shares on issue changing (variable 'A' in the formula); and
- (iii) a variation in the issue price of the Shares (noting that Shares may only be issued at up to a 25% discount based on the volume weighted average price of the Shares calculated over the 15 ASX trading days preceding the issue).

Voting Dilution				
No. of Shares on Issue (Variable A in formula)	Dilution Variable	\$0.54 (50% decrease in current Share Price)	\$1.07 (Current Share Price)	\$1.61 (50% increase in current Share Price)
155,153,189 (Current)	Additional 10% Shares Issued	15,515,319	15,515,319	15,515,319
	Funds Raised (\$)	8,300,696	16,601,391	24,902,087
232,729,784 (50% increase) *	Additional 10% Shares Issued	23,272,978	23,272,978	23,272,978
	Funds Raised (\$)	12,451,043	24,902,086	37,353,130
310,306,378 (100% increase) *	Additional 10% Shares Issued	31,030,638	31,030,638	31,030,638
	Funds Raised (\$)	16,601,391	33,202,783	49,804,174

Table 1: Voting Dilution

* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that does not require Shareholder approval (such as under a pro-rata rights issue) or an issue of Shares with Shareholder approval under Listing Rule 7.1.

Table 1 uses the following assumptions:

- (i) The current number of Shares on issue is the Shares on issue as at 20 October 2020.

- (ii) The current issue price is the closing price of the Shares on the ASX on 20 October 2020.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (v) This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (vi) the market price for the Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (vii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for following purposes for cash consideration, to raise capital for future projects, to pursue growth opportunities, continued expenditure on the Company's current assets and for general working capital.

(e) Allocation under the 10% Placement Capacity

The allottees of any issue of Equity Securities to be issued under the 10% Placement Capacity have not been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of any issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (as applicable).

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval under Listing Rule 7.1A at its annual general meeting on 28 November 2019.

In the 12 months preceding the date of the meeting, the Company has not issued or agreed to issue any securities under Listing Rule 7.1A.2.

Recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

GLOSSARY

"**10% Placement Capacity**" has the meaning given to that term in the Explanatory Memorandum to Resolution 4;

"**Accounting Standards**" has the meaning given to that term in the Corporations Act;

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2020;

"**AWST**" means Australian Western Standard Time;

"**Board**" means the board of Directors of the Company;

"**Chair**" means the Chairman;

"**Chairman**" means the chairman of the Meeting;

"**Closely Related Party**" has the meaning given in the Corporations Act;

"**Company**" means GR Engineering Services Limited ABN 12 121 542 738;

"**Constitution**" means the constitution of the Company, as amended from time to time;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Key Management Personnel**" has the meaning given to it in the Accounting Standards;

"**Meeting**" means the 2020 annual general meeting of the Company, the subject of the Notice;

"**Notice**" means the notice of annual general meeting which accompanies this Explanatory Memorandum;

"**Plan**" means the GR Engineering Services Limited 2019 Equity Incentive Plan;

"**Plan Rules**" means the rules of the Plan;

"**Resolution**" means a resolution proposed pursuant to the Notice of Annual General Meeting;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties;

"**Share**" means a fully paid ordinary share in the Company; and

"**Shareholder**" means a holder of Shares.

Online meeting guide

Getting started

If you choose to participate online you will be able to view a live webcast of the meeting, ask the Directors questions online and submit your votes in real time. To participate online visit <https://web.lumiagm.com> on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

To log in, you must have the following information:

Meeting ID

Meeting ID as provided in the Notice of Meeting.

Australian residents

- > **Username** (SRN or HIN) and
- > **Password** (postcode of your registered address).

Overseas Residents

- > **Username** (SRN or HIN) and
- > **Password** (three-character country code) e.g. New Zealand - NZL; United Kingdom - GBR; United States of America - USA; Canada - CAN.

A full list of country codes is provided at the end of this guide.

Appointed Proxies

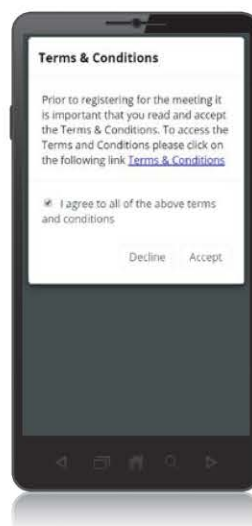
To receive your unique username and password, please contact Computershare Investor Services on +61 3 9415 4024 Monday to Friday during business hours.

Participating at the meeting

- 1 To participate in the meeting you will be required to enter the unique 9-digit Meeting ID as provided in the Notice of Meeting.



- 2 To proceed into the meeting, you will need to read and accept the Terms & Conditions



Icon descriptions



Voting icon, used to vote. Only visible when the Chair opens the poll.



Home page icon, displays meeting information.



Questions icon, used to ask questions.



The broadcast bar allows you to view and listen to the proceedings.

- 3** To register as a securityholder, select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.



- 4** To register as a proxyholder, select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.



- 5** To register as a guest, select 'Guest' and enter your name and email address.



- 6** Once logged in, you will see the home page, which displays the meeting title and name of the registered securityholder or nominated proxy.



Icon descriptions

-  Voting icon, used to vote. Only visible when the Chair opens the poll.
-  Home page icon, displays meeting information.
-  Questions icon, used to ask questions.
-  The broadcast bar allows you to view and listen to the proceedings.

- 7 To view the webcast you must tap the broadcast arrow on your screen and press the play button. Toggle between the up and down arrow to switch between screens.

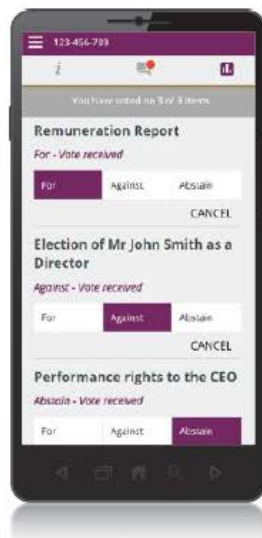


- 8 To ask a question tap on the question icon , type your question in the chat box at the bottom of the screen and select the send icon. Confirmation that your message has been received will appear.



- 9 When the Chair declares the poll open:
- > A voting icon  will appear on screen and the meeting resolutions will be displayed
 - > To vote, tap one of the voting options. Your response will be highlighted
 - > To change your vote, simply press a different option to override

The number of items you have voted on or are yet to vote on, is displayed at the top of the screen. Votes may be changed up to the time the Chair closes the poll.



Icon descriptions

 Voting icon, used to vote. Only visible when the Chair opens the poll.

 Home page icon, displays meeting information.

 Questions icon, used to ask questions.

 The broadcast bar allows you to view and listen to the proceedings.

For Assistance

If you require assistance before or during the meeting please call +61 3 9415 4024

COUNTRY CODES Select your country code from the list below and enter it into the 'Postcode or Country Code' field.

ABW ARUBA	DEU GERMANY	KHM CAMBODIA	PRK KOREA DEM PEOPLES	TJK TAJIKISTAN
AFG AFGHANISTAN	DJI DJIBOUTI	KIR KIRIBATI	REPUBLIC OF	TKL TOKELAU
AGO ANGOLA	DMA DOMINICA	KNA ST KITTS AND NEVIS	PRT PORTUGAL	TKM TURKMENISTAN
AIA ANGUILLA	DNK DENMARK	KOR KOREA REPUBLIC OF	PRY PARAGUAY	TLS EAST TIMOR
ALA ALAND ISLANDS	DOM DOMINICAN REPUBLIC	KWT KUWAIT	PSE PALESTINIAN TERRITORY	DEMOCRATIC REP OF
ALB ALBANIA	DZA ALGERIA	LAO LAO PDR	OCCUPIED	TMP EAST TIMOR
AND ANDORRA	ECU ECUADOR	LBN LEBANON	PYF FRENCH POLYNESIA	TON TONGA
ANT NETHERLANDS ANTILLES	EGY EGYPT	LBR LIBERIA	QAT QATARPL NEPAL	TTO TRINIDAD & TOBAGO
ARE UNITED ARAB EMIRATES	ERI ERITREA	LBY LIBYAN ARAB	NRU NAURU	TKM TURKMENISTAN
ARG ARGENTINA	ESH WESTERN SAHARA	JAMAHIRIYA	NZL NEW ZEALAND	TLS EAST TIMOR
ARM ARMENIA	ESP SPAIN	LCA ST LUCIA	OMN OMAN	DEMOCRATIC REP OF
ASM AMERICAN SAMOA	EST ESTONIA	LIE LIECHTENSTEIN	PAK PAKISTAN	TMP EAST TIMOR
ATA ANTARCTICA	ETH ETHIOPIA	LKA SRI LANKA	PAN PANAMA	TON TONGA
ATF FRENCH SOUTHERN	FIN FINLAND	LSO LESOTHO	PCN PITCAIRN ISLANDS	TTO TRINIDAD & TOBAGO
TERRITORIES	FJI FIJI	LTU LITHUANIA	PER PERU	TZA TANZANIA UNITED
ATG ANTIGUA AND BARBUDA	FLK FALKLAND ISLANDS	LUX LUXEMBOURG	PHL PHILIPPINES	REPUBLIC OF
AUS AUSTRALIA	(MALVINAS)	LVA LATVIA	PLW PALAU	UGA UGANDA
AUT AUSTRIA	FRA FRANCE	MAC MACAO	PNG PAPUA NEW GUINEA	UKR UKRAINE
AZE AZERBAIJAN	FRO FAROE ISLANDS	MAF ST MARTIN	POL POLAND	UMI UNITED STATES MINOR
BDI BURUNDI	FSM MICRONESIA	MAR MOROCCO	PRI PUERTO RICO	OUTLYING
BEL BELGIUM	GAB GABON	MCO MONACO	PRK KOREA DEM PEOPLES	URY URUGUAY
BEN BENIN	GBR UNITED KINGDOM	MDA MOLDOVA REPUBLIC OF	REPUBLIC OF	USA UNITED STATES OF
BFA BURKINA FASO	GEO GEORGIA	MDG MADAGASCAR	PRT PORTUGAL	AMERICA
BGD BANGLADESH	GGY GUERNSEY	MDV MALDIVES	PRY PARAGUAY	UZB UZBEKISTAN
BGR BULGARIA	GHA GHANA	MEX MEXICO	PSE PALESTINIAN TERRITORY	VAT HOLY SEE (VATICAN CITY
BHR BAHRAIN	GIB GIBRALTAR	MHL MARSHALL ISLANDS	OCCUPIED	STATE)
BHS BAHAMAS	GIN GUINEA	MKD MACEDONIA FORMER	PYF FRENCH POLYNESIA	VCT ST VINCENT & THE
BIH BOSNIA & HERZEGOVINA	GLP GUADELOUPE	YUGOSLAV REP	QAT QATAR	GRENADINES
BLM ST BARTHELEMY	GMB GAMBIA	MLI MALI	REU REUNION	VEN VENEZUELA
BLR BELARUS	GNB GUINEA-BISSAU	MLT MALTA	ROU ROMANIA	VGB BRITISH VIRGIN ISLANDS
BLZ BELIZE	GNQ EQUATORIAL GUINEA	MMR MYANMAR	RUS RUSSIAN FEDERATION	VIR US VIRGIN ISLANDS
BMU BERMUDA	GRC GREECE	MNE MONTENEGRO	RWA RWANDA	VNM VIETNAM
BOL BOLIVIA	GRD GRENADA	MNG MONGOLIA	SAU SAUDI ARABIA KINGDOM	VUT VANUATU
BRA BRAZIL	GRL GREENLAND	MNP NORTHERN MARIANA	OF	WSF WALLIS AND FUTUNA
BRB BARBADOS	GTM GUATEMALA	ISLANDS	SCG SERBIA AND	WSM SAMOA
BRN BRUNEI DARUSSALAM	GUF FRENCH GUIANA	MOZ MOZAMBIQUE	MONTENEGRO	YEM YEMEN
BTN BHUTAN	GUM GUAM	MRT MAURITANIA	SDN SUDAN	YMD YEMEN
BUR BURMA	GUY GUYANA	MSR MONTSEERRAT	SEN SENEGAL	DEMOCRATIC
BVT BOUVET ISLAND	HKG HONG KONG	MTQ MARTINIQUE	SGP SINGAPORE	YUG YUGOSLAVIA SOCIALIST
BWA BOTSWANA	HMD HEARD AND MCDONALD	MUS MAURITIUS	SGS STH GEORGIA & STH	FED REP
BLR BELARUS	ISLANDS	MWI MALAWI	SANDWICH ISL	ZAF SOUTH AFRICA
CAF CENTRAL AFRICAN	HND HONDURAS	MYS MALAYSIA	SHN ST HELENA	ZAR ZAIRE
REPUBLIC	HRV CROATIA	MYT MAYOTTE	SJM SVALBARD & JAN MAYEN	ZMB ZAMBIA
CAN CANADA	HTI HAITI	NAM NAMIBIA	SLB SOLOMON ISLANDS	ZWE ZIMBABWE
CCK COCOS (KEELING)	HUN HUNGARY	NCL NEW CALEDONIA	SLE SIERRA LEONE	
ISLANDS	IDN INDONESIA	NER NIGER	SLV EL SALVADOR	
CHE SWITZERLAND	IMN ISLE OF MAN	NFK NORFOLK ISLAND	SMR SAN MARINO	
CHL CHILE	IND INDIA	NGA NIGERIA	SOM SOMALIA	
CHN CHINA	IOT BRITISH INDIAN OCEAN	NIC NICARAGUA	SPM ST PIERRE AND	
CIV COTE D'IVOIRE	TERRITORY	NIU NIUE	MIQUELON	
CMR CAMEROON	IRL IRELAND	NLD NETHERLANDS	SRB SERBIA	
COD CONGO DEMOCRATIC	IRN IRAN ISLAMIC	NOR NORWAY	STP SAO TOME AND	
REPUBLIC OF	REPUBLIC OF	PL NEPAL	PRINCIPE	
COG CONGO PEOPLES	IRQ IRAQ	NRU NAURU	SUR SURINAME	
REPUBLIC OF	ISL ICELAND	NZL NEW ZEALAND	SVK SLOVAKIA	
COK COOK ISLANDS COL	ISM BRITISH ISLES	OMN OMAN	SVN SLOVENIA	
COLOMBIA	ISR ISRAEL	PAK PAKISTAN	SWE SWEDEN	
COM COMOROS	ITA ITALY	PAN PANAMA	SWZ SWAZILAND	
CPV CAPE VERDE	JAM JAMAICA	PCN PITCAIRN ISLANDS	SYC SEYCHELLES	
CRI COSTA RICA	JER JERSEY	PER PERU	SYR SYRIAN ARAB REPUBLIC	
CUB CUBA	JOR JORDAN	PHL PHILIPPINES	TCA TURKS AND CAICOS	
CXR CHRISTMAS ISLAND	JPN JAPAN	PLW PALAU	ISLANDS	
CYM CAYMAN ISLANDS	KAZ KAZAKHSTAN	PNG PAPUA NEW GUINEA	TCD CHAD	
CYP CYPRUS	KEN KENYA	POL POLAND	TGO TOGO	
CZE CZECH REPUBLIC	KGZ KYRGYZSTAN	PRI PUERTO RICO	THA THAILAND	



GR ENGINEERING SERVICES LIMITED
ABN 12 121 542 738



GNG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
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Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **4:00 PM (AWST) on Monday, 23 November 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of GR Engineering Services Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of GR Engineering Services Limited to be held virtually on Wednesday, 25 November 2020 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 3 (except where I/we have indicated a different voting intention in step 2) even though Items 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 3 by marking the appropriate box in step 2.

Step 2 Items of Business

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

	For	Against	Abstain
1 Non-Binding Resolution to Adopt Remuneration Report	☐	☐	☐
2 Re-election of Barry Patterson as a Director	☐	☐	☐
3 Issue of Share Appreciation Rights to Geoff Jones	☐	☐	☐
4 Additional 10% Placement Capacity	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

GNG

999999A



Computershare

