

NOTICE OF 2018 ANNUAL GENERAL MEETING

EMECO HOLDINGS LIMITED (ACN 112 188 815)

The Annual General Meeting of Emeco Holdings Limited (**Company** or **Emeco**) will be held at the offices of Baker McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney, New South Wales on Thursday, 15 November 2018 commencing at 1.00pm (Sydney time). Registrations will commence at 12.30pm (Sydney time).

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

BUSINESS

1. Consideration of reports

To receive and consider the financial report, the directors' report and the auditor's report of the Company for the financial year ended 30 June 2018.

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: Share consolidation

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

"That, for the purpose of section 254H of the Corporations Act 2001 (Cth), clause 10.1(a) of the Company's constitution, ASX Listing Rule 7.20 and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:

- (a) every:
 - (i) 10 fully paid ordinary shares in the capital of the Company (**Shares**) be consolidated into one Share; and
 - (ii) 10 rights on issue (**Rights**) be consolidated into one Right, (together, **Consolidation**); and
- (b) where the number of Shares or Rights held as a result of the Consolidation includes any fraction of a Share or Right, that fraction be rounded up to the nearest whole Share or Right."

Resolution 2: Adoption of 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 2018 be adopted."

The Remuneration Report forms part of the directors' report (included in the Annual Report at pages 20 to 32).

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:

- 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.

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

- by a person as a proxy for a person entitled to vote on Resolution 2, in accordance with a direction in the proxy form; or
- by the Chairman and the appointment of the Chairman as proxy (expressly or by default):
 - does not specify the way the proxy is to vote on the Resolution; and
 - 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 on Resolutions 2, 4 and 5".

**Resolution 3:
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 for re-election, is elected as a Director."

**Resolution 4:
Approval of the issue of Shares under the Emeco Hybrid Incentive Plan to the Managing Director and Chief Executive Officer for the 2018 financial year**

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

"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval is given for the issue of 8,250,000 Shares to Mr Ian Testrow, the Managing Director and Chief Executive Officer of the Company, pursuant to the terms of the Emeco Hybrid Incentive Plan, as described in the Explanatory Memorandum which accompanied and formed part of the Notice of Annual General Meeting."

Voting prohibitions: In accordance with the Corporations Act, a vote on this Resolution 4 must not be cast (in any capacity) by:

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

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

- by a person as a proxy for a person entitled to vote on Resolution 4, in accordance with a direction in the proxy form; or
- by the Chairman and the appointment of the Chairman as proxy (expressly or by default):
 - does not specify the way the proxy is to vote on the Resolution; and
 - 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 on Resolutions 2, 4 and 5".

**Resolution 5:
Approval of the issue of Shares under the Management Incentive Plan to 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 45 million Shares to Mr Ian Testrow, the Managing Director and Chief Executive Officer of the Company, pursuant to the terms of the Management Incentive Plan."

Voting prohibitions: In accordance with the Corporations Act and ASX Listing Rules, a vote on this Resolution 5 must not be cast (in any capacity) by:

- any Director who is eligible to participate in the Management Incentive Plan and any associates of such person; and
- if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the employee incentive scheme by anyone else, by that person and any associates of such person; and

- as proxy, any member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel, who is not directed how to vote.

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

- by a person as a proxy for a person entitled to vote on Resolution 5, in accordance with a direction in the proxy form; or
- by the Chairman and the appointment of the Chairman as proxy (expressly or by default):
 - does not specify the way the proxy is to vote on the Resolution; and
 - 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 on Resolutions 2, 4 and 5”.

INFORMATION FOR SHAREHOLDERS

Availability of the Annual Report

As permitted by the Corporations Act, a printed copy of the Annual Report comprising the financial report, the directors' report and the auditor's report of the Company for the financial year ended 30 June 2018 has been sent only to those Shareholders who have elected to receive a printed copy. For those Shareholders who have not elected to receive a printed copy, the Annual Report is available online on the Company's website at:
<http://www.emecogroup.com/category/reports/>

Determination of entitlement to attend and vote

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that you will be entitled to attend and vote at the Annual General Meeting if you are registered as a holder of Shares as at 7.00pm (Sydney time) on Tuesday, 13 November 2018. 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 meeting as a Shareholder.

If more than one joint holder of Shares is present at the 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 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:

- mailing it to Link Market Services Limited using the reply paid envelope;
- posting it to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235;
- 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;
- by facsimile to Link Market Services Limited at 02 9287 0309 (from within Australia) or +61 2 9287 0309 (from outside Australia); or
- hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes, New South Wales.

Your completed proxy form must be received by Link Market Services Limited as set out above or by the Company at its registered office at Level 3, 71 Walters Drive, Osborne Park, Western Australia 6017 by no later than 10.00am (Perth time)/1.00pm (Sydney time) on Tuesday, 13 November 2018, 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 10.00am (Perth Time)/1.00pm (Sydney time) on Tuesday, 13 November 2018 unless it has previously been provided to Link Market Services Limited or the Company.

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

How the Chairman will vote undirected proxies

The Chairman will vote all undirected proxies in favour of Resolutions 1, 2, 3, 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 a Resolution. Simply mark your voting directions on the proxy form before you return it.

In respect of Resolutions 2, 4 and 5, Shareholders should also refer to the important additional information below under the heading "Important information concerning proxy votes on Resolutions 2, 4 and 5".

Important information concerning proxy votes on Resolutions 2, 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 2018. "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 as to how to vote on all Resolutions. In particular, if you intend to appoint any Key Management Personnel of the Company or their Closely Related Parties as your proxy, you should direct your proxy to vote for or against or to abstain from voting on Resolutions 2, 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 as to how to vote on all Resolutions, including Resolutions 2, 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 2, 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 2, 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 2, 4 and 5. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- (a) Resolutions 2, 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 Resolution 2, 4 or 5 and that votes cast by the Chairman for these Resolutions, other than as 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 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
16 October 2018

EXPLANATORY NOTES

1. Consideration of reports

The financial report, directors' report and auditor's report for the financial year ended 30 June 2018 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 1.00pm (Sydney time) on Thursday, 8 November 2018, 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:

Share consolidation

Resolution 1 seeks Shareholder approval for the Company to consolidate its issued capital by consolidating every 10 existing Shares on issue into one Share and every 10 performance rights (**Rights**) into one Right (**Consolidation**).

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number of shares.

Set out below is further information in relation to the Consolidation, including information required by ASX Listing Rule 7.20.

Purpose of the Consolidation

The Company currently has a large number of Shares on issue (3,178,858,997 Shares as at the date of these Explanatory Notes). The Consolidation will result in a more appropriate capital structure for the Company and a Share price which is more appealing to a wider range of investors.

Effect of Consolidation

If Resolution 1 is passed, every 10 existing Shares on issue will be consolidated into one Share and every 10 existing Rights on issue will be consolidated into one Right. The Resolution to approve the Consolidation will take effect from the date the Resolution is passed and the Consolidation will take effect in accordance with the indicative timetable set out on page 8 of these Explanatory Notes.

The table below shows the approximate number of Shares and Rights on issue immediately before and after the Consolidation, assuming there are no further changes to the Company's capital structure from the date of the Notice of Annual General Meeting, other than as contemplated within, until the Consolidation is implemented.

Capital Structure	Shares	Unlisted Rights ¹
Number on issue at date of the Notice of Annual General Meeting	3,178,858,997	102,730,894
Issue of Shares pursuant to Resolution 4	8,250,000	
Issue of Shares pursuant to Resolution 5	45,000,000	
Number on issue immediately before Consolidation	3,232,108,997	102,730,894
Number on issue immediately following Consolidation (subject to rounding)	323,210,900	10,273,090

Shares

If this Resolution is approved, every 10 Shares on issue will be converted into one Share (subject to rounding), thereby reducing the number of Shares on issue.

The Company's Consolidation applies equally to all shareholders. As such, individual holdings will be reduced in the same ratio as the total number of the Company's Shares (subject only to rounding of fractions of resulting Shares). Accordingly, the Consolidation will have no material effect on the percentage interest of each individual shareholder in the Company.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

Rights

As at the date of the Notice of Annual General Meeting, the Company has 102,730,894 Rights on issue pursuant to its employee incentive plans. Each Right is a right to receive one Share, subject to the applicable service condition being met. For each Right that vests, one Share will be provided to the participant at no cost to the participant.

If this Resolution is approved, every 10 Rights on issue will be converted into one Right (subject to rounding). As such, holders of Shares and Rights are treated equally in respect of the Consolidation.

The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Rights.

Fractional entitlements

Where the Consolidation results in a fractional entitlement to a Share or Right (as applicable), that fractional entitlement will be rounded up so that the consolidated holding will be rounded up to the nearest whole number.

If the Company reasonably believes that a Shareholder has been a party to the division of a shareholding in an attempt to obtain an advantage from this treatment of fractions, the Company may take appropriate action, having regard to the Constitution and the ASX Listing Rules. In particular, the Company reserves the right to disregard the division of the shareholding for the purposes of dealing with fractions so as to round up any fraction to the nearest whole number of Shares that would have been received but for the division.

Holding statements

Following the Consolidation, all holding statements for Shares will cease to have effect except as evidence of entitlement to a certain number of Shares post-Consolidation. After the Consolidation becomes effective, the Company will arrange for new holding statement to be issued to each Shareholder.

Taxation

The Company does not anticipate there to be any taxation implications for holders arising from the Consolidation. However, Shareholders are encouraged to seek their own professional advice on the taxation effects of the Consolidation (if any). Neither the Company nor any of its officers, employees or advisors assume any liability or responsibility for advising holders of Shares or Rights about the tax consequences for them (if any) from the Consolidation.

Indicative Consolidation timetable

If approved, Resolution 1 will take effect from the date that it is passed and the Consolidation will take effect in accordance with the following timetable (subject to change):

¹ The terms of these rights are set out on page 7 (above)

Event	Indicative date
Annual general meeting	15 November 2018
Notification to ASX that Consolidation is approved	15 November 2018
Last day for trading in pre-Consolidation Shares	16 November 2018
Trading commences in the post-Consolidation Shares on a deferred settlement basis	19 November 2018
Last day for the Company to register transfers on a pre-Consolidation basis	20 November 2018
First day for the Company to register Shares on a post—Consolidation basis and first day for dispatch of holding statements	21 November 2018
Deferred settlement trading ends. Last day for the Company to dispatch new holdings statements	27 November 2018
Normal trading commences	28 November 2018

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Each of the Directors holding Shares in the Company intends to vote in favour of Resolution 1.

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

Resolution 2:

Adoption of 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 vote on this Resolution is advisory only and does not bind the Directors. However, under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings (known as the 'Two Strikes Rule'), Shareholders will be required to vote at the second of those annual general meetings on a resolution on whether the Board should be put up for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold another meeting within 90 days of the Spill Resolution at which all of the Directors (other than the managing Director) must stand for re-election.

Less than 25% of votes that were cast on the resolution to adopt the 2017 remuneration report at last year's annual general meeting were against that resolution. Accordingly, while the vote on the Remuneration Report at this Annual General Meeting may potentially be counted towards the Two Strikes Rule in the future, there is no requirement to consider a Spill Resolution at the Annual General Meeting.

The Remuneration Report is contained in the directors' report included in the Annual Report at pages 20 to 32.

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

The Directors encourage all Shareholders to cast their votes on this advisory Resolution.

Resolution 3:

Re-election of Mr Peter Richards, BCom

Information on Mr Richards' experience

Appointment: Mr Richards was appointed as a Director on 14 June 2010 and elected into the same office at the 2010, 2013 and 2016 annual general meetings. Mr Richards was appointed as Chair of the Emeco board on 1 January 2016.

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

Skills and experience: Peter has over 35 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). Peter was a Non-Executive Director (2009 to 2015) of Bradken Limited and a Non-Executive Director (2010 to 2015) of Sedgman Limited.

Current appointments:

- Non-Executive Director of IndiOre Limited (since 2009, Chairman 2014 to 2017)
- Non-Executive Director of Graincorp Limited (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 3. Each of the Directors holding Shares in the Company intends to vote in favour of Resolution 3.

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

Resolution 4:

Approval of the issue of Shares under the Emeco Hybrid Incentive Plan to the Managing Director and Chief Executive Officer for the 2018 financial year

Resolution 4 seeks Shareholder approval for the issue of 8,250,000 Shares for Mr Ian Testrow, the Managing Director and Chief Executive Officer, under the terms of the Emeco Hybrid Incentive Plan (EHIP). This proposed issue relates to the long term incentive award component of Mr Testrow's remuneration for the 2018 financial year. If Resolution 1 is passed, these Shares would be included in the Consolidation.

Under and pursuant to the EHIP, Mr Testrow is entitled to receive an award of Shares up to 120% of his fixed annual remuneration, with the percentage entitlement determined by the Board by reference to the Company's FY18 performance against an agreed set of performance criteria (KPIs).

The Board has assessed the Company's performance against the KPIs. The Board has determined that Mr Testrow is entitled to receive Shares equal to the value of 120% of his annual fixed remuneration, as determined in accordance with the EHIP (being 8,250,000 Shares), subject to remaining employed with the Emeco Group until 31 March 2020 (except in circumstances where he leaves the Company due to death, total and permanent disability, retrenchment or retirement or the Company terminates Mr Testrow other than due to misconduct).

In the event of an absolute change in control of the Company (that is, the acquisition by a third party and its associates of greater than 50% of the Shares in Emeco), the Shares issued to Mr Testrow under the EHIP will vest on an accelerated basis.

Further, if there is an effective (but not an absolute) change of control of the Company, the Board may determine in its absolute discretion immediately vest any unvested Shares. For these purposes, effective control means the occurrence of an event which results in a third party and its associates having the capacity to determine the outcome of decisions on the financial and operating policies of Emeco.

The Shares to be issued by the Company pursuant to the EHIP will be held in the Emeco Employee Share Ownership Trust, a trust operated by an independent and professional trustee Pacific Custodians Pty Ltd, until they vest in accordance with their terms. Whilst these Shares are held in the Emeco Employee Share Ownership Trust, Mr Testrow will not be entitled to the voting rights attaching to these Shares nor any dividends prior to vesting of the Shares.

Shares that do not ultimately vest to Mr Testrow will remain in the Emeco Employee Share Ownership Trust and may be reallocated to another employee under a future award under an Emeco employee incentive plan. The Board retains the discretion to waive the vesting conditions attaching to the grant of these Shares to Mr Testrow.

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 Emeco 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 Shares pursuant to this Resolution 4 constitutes part of Mr Testrow's reasonable remuneration. In reaching this conclusion, the Emeco Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

Information required under ASX Listing Rule 10.15

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

Shares by Mr Testrow under ASX Listing Rule 10.14 and for all other purposes.

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

Maximum number of securities to be granted and price: 8,250,000 Shares (on a pre-Consolidation basis) through the EHIP and subject to satisfaction of the retention condition described above.

The Shares 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) in connection with the issue of these Shares. As such, no loans will be provided by Emeco in connection with the grant of these Shares.

Details of prior issues or grants: There have been no prior issues of Shares under the EHIP.

Entitlement to participate: As the only executive Director, Mr Testrow is currently the only Director eligible to participate in the EHIP.

Voting exclusion: A voting exclusion statement is set out under Resolution 4 in the Notice of Annual General Meeting.

Date of grant: If approved, the Shares will be issued no later than 12 months after the Annual General Meeting.

In accordance with ASX Listing Rule 7.2 exception 14, if Shareholders approve Resolution 4 for the purposes of ASX Listing Rule 10.14, approval is not separately required under ASX Listing Rule 7.1 such that the Shares to be issued do not count towards the 15% limit under ASX Listing Rule 7.1 (which restricts the issue of new capital in a 12-month period without shareholder approval subject to certain exceptions).

Accelerated vesting and termination benefits

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 Shares the subject of this Resolution 4 vest as a result of termination of employment. Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company if it is approved by shareholders under section 200E

of the Corporations Act or an exception otherwise applies.

Details of the retirement benefits

Under the terms of the EHIP, the Shares will vest on an accelerated basis in the event of Mr Testrow's death, total and permanent disability, retrenchment or retirement and the Shares will be transferred to Mr Testrow. If Mr Testrow's employment with Emeco terminates prior to the expiry of the relevant vesting period for cause or as a result of resignation for any other reason, the Share offer to Mr Testrow will immediately lapse (unless the Emeco Board determines otherwise).

Where the Shares 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.

The benefit may fall within one of the recognised exceptions under the Corporations Act if the amount of the benefit is less than a prescribed multiple of the director's remuneration and if the nature of the benefit falls within one of the categories set out in the Corporations Act. However, in the event the Shares vest to Mr Testrow 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 being asked to approve the accelerated vesting of the Shares in these circumstances for the purposes of section 200E of the Corporations Act.

Value of the retirement benefits

The total value of the benefits to be approved by Shareholders 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 Shares vests on an accelerated basis to Mr Testrow and the period that Mr Testrow has been employed during the vesting period.

If and when Shares vest to Mr Testrow on an accelerated basis, the value of the benefit can be calculated by multiplying the number of Shares which vest 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.

The Directors (with Mr Testrow abstaining) unanimously recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour of Resolution 4.

Resolution 5:

Approval of the issue of Shares under the Management Incentive Plan to the Managing Director and Chief Executive Officer

Resolution 5 seeks Shareholder approval for the Company to issue 45 million Shares to Mr Ian Testrow, the Managing Director and Chief Executive Officer, under the terms of the Management Incentive Plan. If Resolution 1 is passed, these Shares would be included in the Consolidation.

The issue of Shares under the Management Incentive Plan is proposed to incentivise Mr Testrow to remain with the Company and align his interests with the long term interests of Emeco Shareholders.

A summary of the rules of the Management Incentive Plan was included in the Company's notice of extraordinary general meeting 2017 (2017 EGM), announced to ASX on 8 February 2017.

Under the Management Incentive Plan, Emeco may make an offer of ordinary fully paid Shares, subject to the satisfaction of certain conditions.

Shares issued under the Management Incentive Plan will be held in the Emeco Employee Share Ownership Trust, a trust operated by an independent and professional trustee Pacific Custodians Pty Ltd, until they vest in accordance with their terms.

The Shares in respect of which Resolution 5 seeks approval will be subject to a service condition that requires Mr Testrow to remain employed by the Emeco Group until the applicable vesting date (except in circumstances where he leaves the Company due to death, total and permanent disability, retrenchment or retirement or the Company terminates Mr Testrow other than due to misconduct).

If Resolution 5 is approved, the Shares will vest as follows:

Number of Shares	Vesting date
15 million	Following release of Emeco's FY19 full year results
10 million	Following release of Emeco's FY21 full year results
10 million	Following release of Emeco's FY22 full year results
10 million	Following release of Emeco's FY23 full year results

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 Emeco 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 Shares pursuant to this Resolution 5 constitutes part of Mr Testrow's reasonable remuneration. In reaching this conclusion, the Emeco Board has had regard to a variety of factors including market practice and the remuneration offered to persons in comparable positions at comparable companies.

Information required under ASX Listing Rule 10.15

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 Shares by Mr Testrow under ASX Listing Rule 10.14 and for all other purposes.

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

Maximum number of securities to be granted and price: 45 million Shares (on a pre-Consolidation basis) through the Management Incentive Plan.

The Shares 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) in connection with the issue of these Shares. As such, no loans will be provided by Emeco in connection with the grant of these Shares.

Details of prior issues or grants: At the 2017 EGM, Shareholders approved the grant of 108,674,758 Shares to Mr Testrow under the Management Incentive Plan and on the terms specified in the notice of meeting for the 2017 EGM.

Entitlement to participate: As the only executive Director, Mr Testrow is currently the only Director eligible to participate in the Management Incentive Plan.

Voting exclusion: A voting exclusion statement is set out under Resolution 5 in the Notice of Annual General Meeting.

Date of grant: If approved, the Shares will be issued no later than 12 months after the Annual General Meeting.

In accordance with ASX Listing Rule 7.2 exception 14, if Shareholders approve Resolution 5 for the purposes of ASX Listing Rule 10.14, approval is not separately required under ASX Listing Rule 7.1 such that the Shares to be issued do not count towards the 15% limit under ASX Listing Rule 7.1 (which restricts the issue of new capital in a 12-month period without shareholder approval subject to certain exceptions).

Accelerated vesting and termination benefits

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 Shares the subject of this Resolution 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 Management Incentive Plan, the Shares will vest on an accelerated basis in the event of Mr Testrow's death, total and permanent disability, retrenchment or retirement and the Shares will be transferred to Mr Testrow. The terms of the Management Incentive Plan provide that if Mr Testrow's employment with Emeco terminates prior to the expiry of the relevant vesting period for cause or as a result of resignation for any other reason, the Share offer to Mr Testrow will immediately lapse (unless the Emeco Board determines otherwise).

Where the Shares 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.

The benefit may fall within one of the recognised exceptions under the Corporations Act if the amount of the benefit is less than a prescribed multiple of the director's remuneration and if the nature of the benefit falls within one of the categories set out in the Corporations Act. However, in the event the Shares vest to Mr Testrow 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 being asked to approve the accelerated vesting of the Shares in these circumstances for the purposes of section 200E of the Corporations Act.

Value of the retirement benefits

The total value of the benefits to be approved by Shareholders 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 Shares vests on an accelerated basis to Mr Testrow and the period that Mr Testrow has been employed during the vesting period.

If and when Shares vest to Mr Testrow on an accelerated basis, the value of the benefit can be calculated by multiplying the number of Shares which vest 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, particularly in relation to Shares under the Management Incentive Plan.

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

The Directors (with Mr Testrow abstaining) unanimously recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 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, 15 November 2018 at 1.00pm (Sydney time).

Annual Report means the Company's annual report comprising the financial report, the directors' report and the auditor's report for the financial year ended 30 June 2018.

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 spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- 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;
- a company the member controls; or
- 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.

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.

Management Incentive Plan means the management incentive plan approved by the Shareholders at the extraordinary general meeting of the Company held on 13 March 2017.

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

Remuneration Report means the remuneration report contained in the directors' report included in the Annual Report at pages 20 to 32.

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

Share means an ordinary fully paid share in the Company.

Shareholder means the holder of one or more Shares.

This page has been left blank intentionally

emecogroup.com

Head Office

Level 3
71 Walters Drive
Osborne Park WA 6017
Australia

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



Emeco Holdings Limited

ACN 112 188 815

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
1A Homebush Bay Drive, Rhodes NSW 2138



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 **1:00pm (Sydney time) on Thursday, 15 November 2018 at the offices of Baker McKenzie, Tower One – International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney, New South Wales** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2, 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 2, 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 Share consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of the issue of Shares under the Management Incentive Plan to the Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Mr Peter Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of the issue of Shares under the Emeco Hybrid Incentive Plan to the Managing Director and Chief Executive Officer for the 2018 financial year	<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).

EHL PRX1801C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should 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 **1:00pm (Sydney time) on Tuesday, 13 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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

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



COMMUNICATION PREFERENCE

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



ONLINE

www.linkmarketservices.com.au

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**